



ECONOMIC DEVELOPMENT

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	510.00	401.00	- 109.00	21	509.00	391.00	- 118.00	23	509.00	407.00	- 102.00	20
EXPENDITURES (\$1000's)	350,447	275,937	- 74,510	21	99,789	52,786	- 47,003	47	254,478	181,145	- 73,333	29
TOTAL COSTS												
POSITIONS	510.00	401.00	- 109.00	21	509.00	391.00	- 118.00	23	509.00	407.00	- 102.00	20
EXPENDITURES (\$1000's)	350,447	275,937	- 74,510	21	99,789	52,786	- 47,003	47	254,478	181,145	- 73,333	29
					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. GROSS STATE PRODUCT (2012 CONSTANT \$ IN MILLIONS)		81410	77840	- 3570	4	82468	73994	- 8474	10			
2. REAL PERSONAL INCOME (2009 CONSTANT \$ IN MILLIONS)		62304	64605	+ 2301	4	63363	63392	+ 29	0			
3. UNEMPLOYMENT RATE (% TENTHS)		2.5	6.9	+ 4.4	176	2.8	9.6	+ 6.8	243			
4. TOTAL EMPLOYMENT (THOUSANDS)		685	617	- 68	10	691	596	- 95	14			
5. GROSS STATE PRODUCT (CURRENT \$ IN MILLIONS)		95545	91112	- 4433	5	98985	88201	- 10784	11			
6. PERSONAL INCOME (CURRENT \$ IN MILLIONS)		81984	83778	+ 1794	2	84976	83431	- 1545	2			

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

PROGRAM TITLE: ECONOMIC DEVELOPMENT

01

PART I - EXPENDITURES AND POSITIONS

Details of the position and expenditure variances are best examined at the lowest program level.

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	66.00	57.00	- 9.00	14	66.00	56.00	- 10.00	15	66.00	59.00	- 7.00	11
EXPENDITURES (\$1000's)	12,717	14,067	+ 1,350	11	15,477	14,048	- 1,429	9	10,819	10,369	- 450	4
TOTAL COSTS												
POSITIONS	66.00	57.00	- 9.00	14	66.00	56.00	- 10.00	15	66.00	59.00	- 7.00	11
EXPENDITURES (\$1000's)	12,717	14,067	+ 1,350	11	15,477	14,048	- 1,429	9	10,819	10,369	- 450	4
					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. % INCREASE IN EXPORTS DUE TO PROG PARTICIPATION		10	10	+ 0	0	10	10	+ 0	0			
2. \$ AMOUNT OF DIRECT EXPEN - FILM/TV PROD (MIL)		250	405	+ 155	62	250	200	- 50	20			
3. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)		3	7.8	+ 4.8	160	3	3	+ 0	0			
4. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)		18.7	13.4	- 5.3	28	19.35	7.2	- 12.15	63			

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

PROGRAM TITLE: BUSINESS DEVELOPMENT

01 01

PART I - EXPENDITURES AND POSITIONS

Details of the position and expenditure variances are best examined at the lowest program level.

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.

VARIANCE REPORT

	FISCAL YEAR 2019-20					THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21					
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	10.00	10.00	+	0.00	0	10.00	10.00	+	0.00	0	10.00	10.00	+	0.00	0
EXPENDITURES (\$1000's)	5,108	5,913	+	805	16	13,988	12,767	-	1,221	9	6,105	5,597	-	508	8
TOTAL COSTS															
POSITIONS	10.00	10.00	+	0.00	0	10.00	10.00	+	0.00	0	10.00	10.00	+	0.00	0
EXPENDITURES (\$1000's)	5,108	5,913	+	805	16	13,988	12,767	-	1,221	9	6,105	5,597	-	508	8
						FISCAL YEAR 2019-20				FISCAL YEAR 2020-21					
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. % INCREASE IN EXPORTS DUE TO PROG PARTICIPATION						10	10	+	0	0	10	10	+	0	0
2. \$ VALUE OF TOTAL/PROJ SALES-TRADE & EXPORT PROMO						17500	18500	+	1000	6	19000	17300	-	1700	9
3. # NEW FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM						25	23	-	2	8	25	23	-	2	8
PART III: PROGRAM TARGET GROUP															
1. # OF FIRMS ENROLLED IN ENTERPRIZE ZONE PROGRAM						250	251	+	1	0	250	201	-	49	20
2. #COMM-BASED ORGS, CO-OPS & SMALL BUS ASSISTED						200	312	+	112	56	200	500	+	300	150
3. # SML & MED-SIZED ENTERPRISES EXPAND/NEW TO EXPORT						35	65	+	30	86	35	60	+	25	71
PART IV: PROGRAM ACTIVITY															
1. # INT'L BUSINESS DEVELOPMENT ACTIVITIES						25	25	+	0	0	25	25	+	0	0
2. OUTREACH ACTIVITIES						10	10	+	0	0	10	12	+	2	20
3. #FIRMS ASSISTED FOR PARTIC IN ENTERPRSE ZONES						300	330	+	30	10	300	300	+	0	0

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 01 01
BED 100

PROGRAM TITLE: STRATEGIC MARKETING AND SUPPORT

PART I - EXPENDITURES AND POSITIONS

promotion to the neighbor islands.

FY 20 Actual expenditures are greater than the budgeted amount because it includes expenditures/encumbrances that occurred in FY 20 from non-FY 20 accounts such as prior-year accounts.

FY 21 Expenditures for three months ended 9-30-20: variance due to \$13,000,000 of non-reverting funds allotted in the first quarter but will be spent throughout the second quarter as well.

Estimated expenditures for nine months ending 6-30-21, is net of restrictions on general funds.

PART II - MEASURES OF EFFECTIVENESS

No significant variances.

PART III - PROGRAM TARGET GROUPS

Item 1. Many Enterprise Zones companies graduated from the program this year and the COVID-19 pandemic restrictions made outreach to recruit new companies very difficult.

Item 2. Target group companies is very high and only an estimate because we assisted many companies with the Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) loans (COVID-19-related economic injury) as an U.S. Small Business Administration (SBA) resource partner this year.

Item 3. The number of small and medium size enterprises (SME) new to export and expanding exports significantly increased due to the expanded in-person outreach efforts of the Hawaii State Trade Expansion Program (HiSTEP) to the neighbor islands.

PART IV - PROGRAM ACTIVITIES

Items 2 and 3. The number of outreach activities and number of firms assisted for participation in enterprise zones increased due to HiSTEP

VARIANCE REPORT

	FISCAL YEAR 2019-20					THREE MONTHS ENDED 09-30-20					NINE MONTHS ENDING 06-30-21				
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	14.00	9.00	-	5.00	36	14.00	9.00	-	5.00	36	14.00	9.00	-	5.00	36
EXPENDITURES (\$1000's)	1,845	2,069	+	224	12	415	198	-	217	52	1,124	1,191	+	67	6
TOTAL COSTS															
POSITIONS	14.00	9.00	-	5.00	36	14.00	9.00	-	5.00	36	14.00	9.00	-	5.00	36
EXPENDITURES (\$1000's)	1,845	2,069	+	224	12	415	198	-	217	52	1,124	1,191	+	67	6

						FISCAL YEAR 2019-20				FISCAL YEAR 2020-21					
						PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS															
1. CREATIVE ECONOMY SHARE OF HAWAII GDP (BIL)						3.5	4.2	+	0.7	20	3.5	3.0	-	0.5	14
2. # OF CREATIVE SECTOR JOBS (THOUS) IN HAWAII						53	53	+	0	0	53	43	-	10	19
3. # JOBS ON NEIGHBOR ISLANDS IN CREATIVE SECTORS						17	14	-	3	18	17	10	-	7	41
4. \$ AMOUNT OF DIRECT EXPEN - FILM/TV PROD (MIL)						350	405	+	55	16	300	200	-	100	33
5. \$ AMT ECONOMIC IMPACT - FILM/TV PROD (MIL)						400	700	+	300	75	400	340	-	60	15
6. \$ AMT OF TAXES GENERATED FROM FILM/TV PROD (MIL)						40	43	+	3	8	35	21	-	14	40
7. \$ AMT OF ESTIMATED REBATE - ACT 88/89						53	50	-	3	6	53	50	-	3	6
8. \$ AMT OF PRODUCTION SPENT ON NEIGHBOR ISLANDS						45	30	-	15	33	45	35	-	10	22
9. \$ AMT OF HOUSEHOLD INCOME - TOTAL SPEND (MIL)						200	200	+	0	0	200	100	-	100	50

PART III: PROGRAM TARGET GROUP															
1. TOTAL \$ AMT/VALUE OF WFORCE DEV CONT - ACT 88/89						90	100	+	10	11	90	75	-	15	17
2. AMOUNT OF PARTICIPANTS - ENT DEV PROGRAMS						135	140	+	5	4	140	100	-	40	29
3. ESTIMATED REV. GEN. FM MUSIC PLACEMENTS (THOUS)						55	120	+	65	118	60	100	+	40	67

PART IV: PROGRAM ACTIVITY															
1. # PERMITS FOR FILM/TV/COM/INTERNET PROJ YEARLY						2800	2800	+	0	0	2800	1500	-	1300	46
2. # OF CREATIVE CONTENT PROJ DEV FOR EXPORT						18	13	-	5	28	20	25	+	5	25
3. # OF MUSIC PLACEMENTS IN FILM, TV, COMMERCIALS						18	15	-	3	17	23	25	+	2	9

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 01 02
BED 105

PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION

PART I - EXPENDITURES AND POSITIONS

FY 20 Actual Expenditures are greater than budgeted as it includes encumbrances/expenditures incurred in FY 20 from non-FY 20 budgeted operating accounts.

FY 21 Quarter 1 Actual Expenditures less than budgeted but expect to catch up in the latter of the year net of general fund restrictions.

1. In FY 20, filled two (2) Film Office statutory required positions (Economic Development Specialist V (EDSV) and EDSVI) with 89-day hires while in recruitment. In the 3rd Quarter, division received lists from the Department of Human Resources Development (DHRD) for Accountant V and began to schedule interviews when the COVID-19 pandemic hit. As a result, both 89-day hires were released in the 4th Quarter and the Accountant V list was returned due to Executive Memorandum (E.M.) No. 20-01, Hiring Freeze.

2. One (1) vacant branch chief position was filled with an 89-day hire in the 2nd Quarter of FY 20, while the position description (PD) was rewritten due to outdated responsibilities from the transfer in the branch in 2003. PD dated back to 1980s.

3. Due to COVID-19 and E.M. No. 20-01, Hiring Freeze, the four (4) new positions, which are critical to the improved operations, have completed PDs but were unable to hire 89-day or permanent hires.

4. Legislative reduction in SLH 2020 eliminated funding for the branch chief for the Arts and Culture Branch, the EDSV, EDSVI, and Accountant V for tax credit, a statutory function in the Film Branch, along with the Office Assistant III position. This has all but crippled the division and its operation until two of the 89-day hires in the EDSV and Accountant V positions could be rehired.

5. Management of the film tax credit program requires a dedicated two (2) full-time equivalent team, an Accountant V and an EDSVI. The Administrator has to take on the tasks of report reviews due to limited

staffing/capacity; this is an unsustainable plan.

PART II - MEASURES OF EFFECTIVENESS

The Creative Industries Division, with support by the Department of Business, Economic Development and Tourism's Research and Economic Analysis Division (READ) established a baseline of metrics to track creative sector vibrancy/resilience. The sectors tracked expanded to align with satellite accounts developed by the U.S. Bureau of Economic Analysis.

The program refocused its measures of effectiveness in 2016-17 as reflected in Part II. The estimates and totals listed in FY 19-20 and FY 20-21 are reflective of the most recent report from READ, which is based on data sets from FY 18-19. The Neighbor Island totals for the film production activity are pending from the Film Office.

Item 1. The Gross Domestic Product (GDP) share holds steady for the FY 19-20 timeframe. Anticipated decline due to the COVID-19 pandemic for FY 20-21 and an estimated 65-75% of creatives impacted in Hawaii, not eligible for unemployment insurance. Brookings Institute, June 2020 report, notes the most impacted sectors of U.S. creative economy are the performing arts and visual arts sectors, which will be "hit hardest, suffering estimated losses of almost 1.4 million jobs and \$42.5 billion in sales, with estimated losses of representing 50% of all jobs nationwide."

Item 2. Creative sector growth maintained an upward trend in FY 19-20. The COVID-19 pandemic is estimated to reduce this figure as independent contractors, gig workers, and creatives are negatively impacted or leaving the State due to COVID-19.

Item 3. The unit of measurement is in (thousands) for jobs.

Item 4. FY 19-20 saw stable activity in the film/tv sectors, matching the trend over the last three years (inclusive of FY 19-20). Due to COVID-19, all global production halted in March with 90-95% of film workers globally and locally impacted. FY 20-21 1st Quarter marks return of TV series to

VARIANCE REPORT NARRATIVE

FY 2020 AND FY 2021

01 01 02
BED 105

PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION

Hawai (Magnum P.I.) and features, along with local productions. As of October, 22, 2020, estimated total for the year may reach \$200M. Potential of two (2) more TV series coming to the islands will shift the numbers upward.

5. FY 19-20 economic impacts factored at an aggregate 1.73 multiplier is based on the estimated \$405M spent in calendar year (CY) 2019. Act 275, Hawaii Motion Picture, Digital Media and Film Production Tax Credit, is reported on a calendar year basis. Figures therefore represent the estimated amount spent. FY 20-21 will have a lower economic impact due to the reduction of activity.

6. Estimated taxes generated are determined by an input/output model formula. Reduced numbers in FY 20-21 are due to the COVID-19 pandemic.

Item 7. The establishment of Act 143, SLH 2017, (amended in Senate Bill No. 33, now Act 275, SLH 2018) for the Hawaii Motion Picture, Digital Media and Film Production Tax Credit, set a limit on the annual dollar amount of tax credit annually available to \$50 million per calendar year effective January 1, 2019.

Item 8: Both FY 18 and FY 19 saw a significant increase in neighbor island production totals. Beginning in CY 2020, impact of the COVID-19 pandemic reduced production activity from March to August by 95%. Estimates for FY 20 are lower than anticipated due to COVID-19. We anticipate three (3) TV series to be in production by end of November 2020, which is factored into the estimates.

Item 9. Estimated household income based on the total production spent is further reduced in FY 20-21 due to the downturn in production activity.

PART III - PROGRAM TARGET GROUPS

1. Workforce Development metrics are still being compiled for both FY 18-19 and FY 19-20. Per Act 89 and now Act 143 require .1% contribution to public K-12 and University programs, as well as internships. The new

fiscal operations staffing in BED 105 will provide more granular details on the actual spent, value of the time of industry professionals and other metrics associated with these contributions. Target groups track metrics of +/- based on talent/workforce development efforts (Creative Lab Hawaii (CLH), Ohina Labs, Good Pitch Hawaii programs); the reach of film program initiatives statewide and; export of creative product in music licensed for film, television and commercials globally.

Item 2. Due to the COVID-19 pandemic, CLH programs in media and music pivoted to online only virtual mentorship sessions for FY 20-21. This increases the size of the entrepreneurs in each module of the program which kicks off in November 2020 through November 2021. In-person mentoring and immersive programs for theatre and directing will start in Spring 2021, pending on the outcome of the COVID-19 pandemic.

Item 3. The estimated revenue generated from the Hawaii songwriters CLH Music Immersive program has grown exponentially. Revenue estimates were low based on conservative outlook. However, the CLH music program has surpassed expectations with over \$500,000 placements for island singer songwriters to date. CLH Media Immersives, job creation, monetization and export of the original IP of Hawaii filmmakers and screenwriters has exceeded expectations, selling projects to Hallmark, Lifetime, Amazon Prime and award winning webseries.

PART IV - PROGRAM ACTIVITIES

Program Activities were refined to focus on film production permitting volume per year and number of locally developed media, arts, culture, and music content projects that are export or investment ready annually.

Items 1, 2, and 3. Refined measurable activities in film, media content and music export which shows the volume of film production permitting per year, number of locally developed media and music content projects that are licensed, exported via media projects domestically or globally, or are at a seed stage of being investment ready. Film production is down due to COVID-19 restrictions.

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 01 02
BED 105

PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION

Item 3. See Item 3 in Part III above.

PROGRAM TITLE:

FOREIGN TRADE ZONE

PROGRAM-ID:

BED-107

12/5/20

PROGRAM STRUCTURE NO:

010103

	FISCAL YEAR 2019-20					THREE MONTHS ENDED 09-30-20					NINE MONTHS ENDING 06-30-21				
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	16.00	14.00	-	2.00	13	16.00	13.00	-	3.00	19	16.00	16.00	+	0.00	0
EXPENDITURES (\$1000's)	2,438	2,628	+	190	8	550	567	+	17	3	1,895	1,878	-	17	1
TOTAL COSTS															
POSITIONS	16.00	14.00	-	2.00	13	16.00	13.00	-	3.00	19	16.00	16.00	+	0.00	0
EXPENDITURES (\$1000's)	2,438	2,628	+	190	8	550	567	+	17	3	1,895	1,878	-	17	1
						FISCAL YEAR 2019-20					FISCAL YEAR 2020-21				
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)						3	7.8	+	4.8	160	3	3	+	0	0
2. % INCR VALUE CARGO IN/OUT OF ALL SUBZONES						3	10.6	+	7.6	253	3	3	+	0	0
3. % INCR IN VALUE OF CARGO IN/OUT OF PIER 2 FACIL						5	-8.7	-	13.7	274	5	5	+	0	0
4. # OF NEW FIRMS USING FTZ PROGRAM						30	24	-	6	20	30	30	+	0	0
5. % INCR IN VALUE OF EXPORTS FROM ALL FTZ FACILITIES						5	-4.2	-	9.2	184	5	5	+	0	0
6. INCR IN USERS' EMPLMT ATTRIB TO PARTIC IN FTZ PROG						60	166	+	106	177	60	60	+	0	0
7. SATIS RATING BY FTZ USERS (1-5 SCALE)						4	NO DATA	-	4	100	4	4	+	0	0
8. YEARLY SPECIAL FUND BAL (TOT REV LESS TOT EXP)						0	NO DATA	+	0	0	0	0	+	0	0
PART III: PROGRAM TARGET GROUP															
1. FIRMS USING FTZ PROGRAM (NO.)						250	321	+	71	28	250	250	+	0	0
2. COMPANIES THAT IMPORT/EXPORT DUTIABLE MERCHANDISE						500	786	+	286	57	500	500	+	0	0
3. COMPANIES THAT MANUF USING DUTIABLE COMPONENTS						70	64	-	6	9	70	70	+	0	0
PART IV: PROGRAM ACTIVITY															
1. VALUE OF CARGO IN/OUT OF FTZ (EXCL SUBZONES) (MIL)						1750	2370	+	620	35	1750	1750	+	0	0
2. VALUE OF CARGO IN/OUT OF SUBZONES (MIL)						7600	7128	-	472	6	7600	7600	+	0	0
3. VALUE OF CARGO IN/OUT OF PIER 2 FACILITY (MIL)						60	32	-	28	47	60	60	+	0	0
4. VALUE OF CARGO HANDLD FOR DEPT OF HOMELAND SEC						0	0	+	0	0	0	0	+	0	0
5. ADVERTISING/MARKETING EXPEND ZONE PROMOTION						75	13	-	62	83	75	75	+	0	0

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 01 03
BED 107

PROGRAM TITLE: FOREIGN TRADE ZONE

PART I - EXPENDITURES AND POSITIONS

The position variances in FY 20 and the first quarter of FY 21 are due to the COVID-19 hiring freeze.

The expenditures variance in FY 20 is due to the actual amount, including expenditures/encumbrances incurred in FY 20 from non-FY 20 appropriation accounts.

PART II - MEASURES OF EFFECTIVENESS

Items 1 and 2. The variances in value are due to continued trade volatility and uncertainty under the federal administration's ongoing trade actions.

Items 3 and 4. The variances in value and number of new firms using the Foreign-Trade Zone (FTZ) are the result of uncertain trade conditions affecting the State under the federal administration's ongoing trade actions.

Item 5. The variance is the result of the world-wide decrease in oil prices.

Item 6. The variance is the result of uncertain trade conditions impacting the number of firms using the FTZ.

Item 7. Data was not available from the Foreign-Trade Programs statewide.

Item 8. No data available, but revenues generally exceed expenses by about \$50,000 per annum.

PART III - PROGRAM TARGET GROUPS

Items 1, 2 and 3. The variances in the number of firms using the FTZ and importing or exporting dutiable merchandise are due to uncertain trade conditions.

PART IV - PROGRAM ACTIVITIES

Item 1. The variance in the value of cargo in and out of the FTZ, except subzones, is due to uncertain trade conditions.

Item 3. The variance in the value of cargo in and out of Pier 2 is due to uncertain trade conditions.

Item 5. The variance in marketing expenses is due to the Program reducing its marketing expenditures in an effort to maintain parity with program revenues within its special fund.

PROGRAM TITLE:

GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT

12/5/20

PROGRAM-ID:

BED-142

PROGRAM STRUCTURE NO:

010104

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	26.00	24.00	-	2.00	8	26.00	24.00	-	2.00	8	26.00	24.00	-	2.00	8
EXPENDITURES (\$1000's)	3,326	3,457	+	131	4	524	516	-	8	2	1,695	1,703	+	8	0
TOTAL COSTS															
POSITIONS	26.00	24.00	-	2.00	8	26.00	24.00	-	2.00	8	26.00	24.00	-	2.00	8
EXPENDITURES (\$1000's)	3,326	3,457	+	131	4	524	516	-	8	2	1,695	1,703	+	8	0
						FISCAL YEAR 2019-20				FISCAL YEAR 2020-21					
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. # OF PROCUREMENT VIOLATIONS						0	0	+	0	0	0	0	+	0	0
2. % ERROR-FREE SUMMARY WARRANT VOUCHERS PROCESSED						95	95	+	0	0	95	95	+	0	0
3. SERVER DOWNTIME AS % TOTAL OPERATIONAL TIME (<)						2.0	2	+	0	0	2.0	2	+	0	0
4. % DBEDT EMPLOYEES WORKING W/OUT FORMAL GRIEVANCE						98	100	+	2	2	98	98	+	0	0
PART III: PROGRAM TARGET GROUP															
1. NUMBER OF DBEDT POSNS (PERMANENT & TEMPORARY)						327	315	-	12	4	327	315	-	12	4
PART IV: PROGRAM ACTIVITY															
1. # OF REQUESTS FOR ALLOTMENT (A19) PREPARED						150	169	+	19	13	150	170	+	20	13
2. # OF SUMMARY WARRANT VOUCHERS PROCESSED						1250	1353	+	103	8	1250	1300	+	50	4
3. # OF FORMAL GRIEVANCES FILED ANNUALLY						5	0	-	5	100	5	5	+	0	0
4. # OF HR/PERSONNEL TRANSACTIONS PROCESSED ANNUALLY						1500	850	-	650	43	1500	900	-	600	40

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 01 04
BED 142

PROGRAM TITLE: GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT

PART I - EXPENDITURES AND POSITIONS

FY 20 - Actual expenditures are greater than budgeted because the actual amount includes expenditures/encumbrances from prior-year appropriation accounts that were incurred in FY 20.

PART II - MEASURES OF EFFECTIVENESS

No significant variances.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

Item 1. The FY 20 variance is due to changes in Budget Execution Instructions for allotment requests. Unlike FY 19, the interim Budget Execution Instructions required an initial Form A-19 to allot 25% of budgeted appropriation in the first quarter. The official FY20 Budget Execution Instructions (Executive Memorandum No. 19-02 dated August 2, 2019) required a subsequent first amendment to allocate funds for the full-year for each program's main operating accounts. The FY21 estimates are greater than planned due to current Budget Execution Policies pursuant to Executive Memo No. 20-08 dated September 14, 2020, only allowing general funds to be allotted on a quarter-by-quarter basis. As well as the expectation of allotting collective bargaining adjustments, and reverting/reallotting funds once or twice throughout the rest of the fiscal year for each program's main operating accounts.

Item 3. The variance is due to an overestimation of the number of grievances filed for the year.

Item 4. The variance is due to an overestimation of the planned amount of personnel transactions processed during the year.

PROGRAM TITLE:

TOURISM

PROGRAM-ID:

BED-113

12/5/20

PROGRAM STRUCTURE NO:

0102

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	3.00	2.00	- 1.00	33	3.00	2.00	- 1.00	33	3.00	2.00	- 1.00	33
EXPENDITURES (\$1000's)	141,483	120,752	- 20,731	15	36,845	1,471	- 35,374	96	104,638	34,097	- 70,541	67
TOTAL COSTS												
POSITIONS	3.00	2.00	- 1.00	33	3.00	2.00	- 1.00	33	3.00	2.00	- 1.00	33
EXPENDITURES (\$1000's)	141,483	120,752	- 20,731	15	36,845	1,471	- 35,374	96	104,638	34,097	- 70,541	67
					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)					18.7	13.4	- 5.3	28	19.35	7.2	- 12.15	63
2. % OF RESIDENTS WHO AGREE TOURISM IS POSITIVE					NO DATA	58	+ 58	0	NO DATA	58	+ 58	0
3. VISITOR-RELATED GROSS DOMESTIC PRODUCT (\$MILLION)					13280	15754	+ 2474	19	13280	8541.4	- 4738.6	36
4. % TRAVELERS CONSIDERING A TRIP TO HAWAII					NO DATA	55	+ 55	0	NO DATA	55	+ 55	0
5. % OF TOURISM STAKEHOLDERS RECOGNIZE HTA AS LEADER					7.00	NO DATA	- 7	100	7.00	NO DATA	- 7	100
PART III: PROGRAM TARGET GROUP												
1. JAPANESE TRAVELERS TO THE US (MILLION)					3.6	3.752	+ 0.152	4	3.6	1.03	- 2.57	71
2. US AIR TRAFFIC TO OVERSEAS REGIONS (MILLIONS)					40.5	44.81	+ 4.31	11	40.5	12.91	- 27.59	68
PART IV: PROGRAM ACTIVITY												
1. # SPORTING EVENTS ACTUALLY FUNDED					21	9	- 12	57	21	7	- 14	67
2. # PROD ENRICH PROJ FNDED (INCL NAT RES & LVING HWN					128	140	+ 12	9	128	30	- 98	77
3. # OF HAWAIIAN AND MAJOR FESTIVALS ACTUALLY FUNDED					12	12	+ 0	0	12	3	- 9	75
4. # SPEECHES/PRESENTATIONS TO TOURISM STAKEHOLDERS					55	101	+ 46	84	55	46	- 9	16
5. NUMBER OF HITS TO TOURISM RESEARCH PAGE					138000	65715	- 72285	52	138000	65800	- 72200	52
6. MAJOR MARKETING CONTRACTORS FUNDED (\$MILLIONS)					48.0	40.65	- 7.35	15	48.0	28.60	- 19.4	40

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 02
BED 113

PROGRAM TITLE: TOURISM

PART I - EXPENDITURES AND POSITIONS

The expenditure of funds is primarily limited to the amount of Transient Accommodations Tax (TAT) and Convention Center revenue collected. TAT was capped at \$108.5 million effective FY 16 (pursuant to Act 121, SLH 2015). TAT was capped at \$95.5 million effective FY 19 (pursuant to Act 86, SLH 2018).

The Hawaii Tourism Authority (HTA) is operating under significantly reduced funding due to the COVID-19 pandemic, as HTA's allocation of TAT has been suspended. We have reduced or cancelled a significant amount of our contracts and budgeted expenditures for both FYs 20 and 21.

PART II - MEASURES OF EFFECTIVENESS

The COVID-19 pandemic has significantly impacted tourism in Hawaii; thus, the resulting measures of effectiveness.

Item 1. Air and cruise data does not include supplemental business spending. The January to August 2020 amounts are preliminary, and the September 2020 to June 2021 amounts are based on the Department of Business, Economic Development and Tourism's forecast.

Item 2. Resident sentiment typically decreases with increased visitor arrivals; we are currently working on efforts to improve the perception of tourism's positive benefits to the community.

Item 3. The Gross Domestic Product is calculated by the Research and Economic Analysis Division (Databook Table 7.34). Calendar year (CY) 19 is the most recent data available (used for FY 2020). The drop in FY 2021 is due to the COVID-19 pandemic.

Item 4. U.S. West Coast residents considering a trip to Hawaii for their next vacation is based on data obtained from OmniTrak Marketing Effectiveness Study Wave 4 data.

Item 5. Not applicable as this measure of effectiveness for the HTA has been discontinued.

PART III - PROGRAM TARGET GROUPS

The COVID-19 pandemic has significantly impacted tourism in Hawaii; thus, the resulting measures of effectiveness.

Item 1. FY 20 information based on data obtained from www.trade.gov/visitors-arrivals-program-i-94-data. CY 19 is the most recent data available (used for FY 20). FY 21 amount was based on the year to date August 2020 growth rate.

Item 2. FY 20 information based on data obtained from travel.trade.gov/outreachpages/outbound.general_information.outbound_overview.asp. CY 19 is the most recent data available (used for FY 20). FY 21 figures based on reported FY 20 amounts times tourism economic growth rate.

PART IV - PROGRAM ACTIVITIES

Item 1. Several sports events were cancelled due to the COVID-19 pandemic.

Items 2 and 3. For the increase of projects in FY 20, award amounts to individual vendors were set to lower maximum amounts than prior fiscal years, resulting in more awards. For the decrease in FY 21, budgets for community and Hawaiian programs were reduced due to the COVID-19 pandemic and the Governor's suspension of Section 237D, Hawaii Revised Statutes, 6.5 distributions to HTA.

Item 4. For FY 20, the actual and estimated speeches and presentations significantly vary from planned and reflect the inclusion of Brand Managers and Research staff versus only HTA Leadership. Also, in FY 21, due to the COVID-19 pandemic, the focus has shifted to small group meetings and less presentations and speeches.

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 02
BED 113

PROGRAM TITLE: TOURISM

Item 5. The actual and estimated figures represent Page Views instead of Hits, which is the newer industry standard measure. It remains lower than targeted. In addition, HTA redesigned its website and consolidated some of the Research pages, reducing the overall number of pages that may be viewed. The amount provided is not comparable to the target. The number of page views have increased from the prior fiscal year.

Item 6. For both FYs 20 and 21, HTA is operating under significantly reduced funding due to the COVID-19 pandemic during which HTA's allocation of TAT has been suspended. We have reduced or cancelled a significant amount of our contracts and budgeted expenditures.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	337.00	260.00	- 77.00	23	337.00	254.00	- 83.00	25	337.00	265.00	- 72.00	21
EXPENDITURES (\$1000's)	60,956	40,028	- 20,928	34	12,628	11,832	- 796	6	42,633	43,429	+ 796	2
TOTAL COSTS												
POSITIONS	337.00	260.00	- 77.00	23	337.00	254.00	- 83.00	25	337.00	265.00	- 72.00	21
EXPENDITURES (\$1000's)	60,956	40,028	- 20,928	34	12,628	11,832	- 796	6	42,633	43,429	+ 796	2
					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. AMT OF AG OR AQUA FIN PROVIDED BY OTHR CRED SOURCS					900	60	- 840	93	750	750	+ 0	0
2. # INTERCEPTED PEST SPECIES NOT ESTABLISHED IN HI					520	426	- 94	18	530	530	+ 0	0

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

PROGRAM TITLE: AGRICULTURE

01 03

PART I - EXPENDITURES AND POSITIONS

Details of the position and expenditures variances are best examined at the lowest program level.

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	9.00	8.00	- 1.00	11	9.00	8.00	- 1.00	11	9.00	8.00	- 1.00	11
EXPENDITURES (\$1000's)	6,861	3,227	- 3,634	53	1,413	1,413	+ 0	0	5,448	5,448	+ 0	0
TOTAL COSTS												
POSITIONS	9.00	8.00	- 1.00	11	9.00	8.00	- 1.00	11	9.00	8.00	- 1.00	11
EXPENDITURES (\$1000's)	6,861	3,227	- 3,634	53	1,413	1,413	+ 0	0	5,448	5,448	+ 0	0
					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. NUMBER OF LOANS APPROVED					25	26	+ 1	4	25	25	+ 0	0
2. TOTAL DOLLAR AMOUNT OF LOANS APPROVED (000'S)					4500	4714	+ 214	5	5000	5000	+ 0	0
3. ANNUAL ACREAGE CULTIVATED BY BORROWERS					10000	10958	+ 958	10	10000	10000	+ 0	0
4. AMT OF EMPLOYEES OR LABORERS UTILIZED BY BORROWER					1000	698	- 302	30	1000	1000	+ 0	0
5. AMT OF AG OR AQUA FIN PROVIDED BY OTHR CRED SOURCS					900	60	- 840	93	750	750	+ 0	0
PART III: PROGRAM TARGET GROUP												
1. POTENTIAL QUALIFIED FARMERS/NEW FARMERS					7000	7328	+ 328	5	7000	7000	+ 0	0
2. POTENTIAL QUALIFIED AQUACULTURISTS					70	70	+ 0	0	70	70	+ 0	0
3. AGRICULTURE/AQUACULTURE COOPERATIVES					25	27	+ 2	8	20	20	+ 0	0
4. COMMERCIAL BANKS					5	6	+ 1	20	5	5	+ 0	0
PART IV: PROGRAM ACTIVITY												
1. NUMBER OF PUBLIC RELATIONS CONTACTS					50	47	- 3	6	50	50	+ 0	0
2. NO. OF SERVICING CONTACTS WITH EXISTING BORROWERS					700	552	- 148	21	700	700	+ 0	0
3. NUMBER OF LOAN INQUIRIES RECEIVED BY THE DIVISION					175	159	- 16	9	175	175	+ 0	0
4. AMOUNT COLLECTED BY PROGRAM (000'S)					2250	3836	+ 1586	70	2250	2250	+ 0	0

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 03 01
AGR 101

PROGRAM TITLE: FINANCIAL ASSISTANCE FOR AGRICULTURE

PART I - EXPENDITURES AND POSITIONS

Variances in FY 20 expenditures were due to position vacancies and the lower dollar amount in loan disbursements. Variances in positions are due to lack of qualified applicants for vacant positions.

Item 4. The amount collected by the program was above the projected amount due to the larger loan portfolio and several significant loan payoffs. The program remains focused on the collections and working with delinquent borrowers, especially during the current economic downturn and periodic stay-at-home restrictions.

PART II - MEASURES OF EFFECTIVENESS

Item 3. The annual acreage cultivated by borrowers well exceeded the planned amount and is due to the larger loan portfolio and increased ranch acreage.

Item 4. The amount of employees or laborers utilized by borrowers was below the planned amount due to the farm efficiencies, the tight labor market which made finding employees difficult, and adjustments made by farms during the last quarter to poor economic conditions as a result of the COVID-19 pandemic.

Item 5. Amount of financing provided by other credit sources was well below the planned amount due to the perceived higher risk associated with farming operations and the lending industry lack of familiarity with agriculture.

PART III - PROGRAM TARGET GROUPS

Item 4. The commercial banks amount was above the planned amount due to the addition of a new State-chartered bank. The expanded banking industry will help make more credit available for the agricultural and ranch communities.

PART IV - PROGRAM ACTIVITIES

Item 2. The number of servicing contacts was below the planned amount. The program's initial stay-at-home order due to the COVID-19 pandemic reduced public contacts and restricted travel to the neighbor islands. Reduced public contact measures included stopping routine farm field inspections and direct meeting with borrowers.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	184.00	149.00	- 35.00	19	184.00	147.00	- 37.00	20	184.00	152.00	- 32.00	17
EXPENDITURES (\$1000's)	21,940	16,144	- 5,796	26	4,855	4,855	+ 0	0	16,111	16,111	+ 0	0
TOTAL COSTS												
POSITIONS	184.00	149.00	- 35.00	19	184.00	147.00	- 37.00	20	184.00	152.00	- 32.00	17
EXPENDITURES (\$1000's)	21,940	16,144	- 5,796	26	4,855	4,855	+ 0	0	16,111	16,111	+ 0	0
					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. % TTL PARCELS INSP INTERCEPTED AS PROHIB/RESTRICT					.003	.004	+ 0.001	33	.003	.004	+ 0.001	33
2. # INTERCEPTED PEST SPECIES NOT ESTABLISHED IN HI					520	426	- 94	18	530	530	+ 0	0

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

PROGRAM TITLE: PRODCVTY IMPRVMT & MGT ASSTNCE FOR AGR

01 03 02

PART I - EXPENDITURES AND POSITIONS

Details of the position and expenditures variances are best examined at the lowest program level.

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	124.00	100.00	- 24.00	19	124.00	99.00	- 25.00	20	124.00	101.00	- 23.00	19
EXPENDITURES (\$1000's)	15,810	11,022	- 4,788	30	3,505	3,505	+ 0	0	11,524	11,524	+ 0	0
TOTAL COSTS												
POSITIONS	124.00	100.00	- 24.00	19	124.00	99.00	- 25.00	20	124.00	101.00	- 23.00	19
EXPENDITURES (\$1000's)	15,810	11,022	- 4,788	30	3,505	3,505	+ 0	0	11,524	11,524	+ 0	0
					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. % TTL PARCELS INSP INTERCEPTED AS PROHIB/RESTRICT					.003	.004	+ 0.001	33	.003	.004	+ 0.001	33
2. NUMBER OF PEST INTERCEPTIONS					1700	903	- 797	47	1700	1300	- 400	24
3. # INTERCEPTED PEST SPECIES NOT ESTABLISHED IN HI					520	426	- 94	18	530	530	+ 0	0
4. # OF PROHIBITED ANIMALS INTERCEPTED OR CONFISCATED					600	1685	+ 1085	181	600	1200	+ 600	100
5. % OF CHEM/MECH CNTRL PROJ UNDER HI LEVEL OF CNTRL					15	15	+ 0	0	15	15	+ 0	0
6. % BIO CONTROL PROJECTS UNDER A HIGH LEVEL OF CNTRL					35	35	+ 0	0	35	35	+ 0	0
7. COMPLIANCE RATE CERT NURS & PT OF ORIGIN EXP INSP					85	97	+ 12	14	85	85	+ 0	0
PART III: PROGRAM TARGET GROUP												
1. NUMBER OF AIRCRAFT AND SHIP ARRIVALS (THOUSANDS)					46	25	- 21	46	46	35	- 11	24
2. NUMBER PASSENGER ARRIVALS BY AIR AND SEA (THOUS)					7000	2056	- 4944	71	7000	5000	- 2000	29
3. NO. OF REGULATED BAGGAGE, CARGO AND MAIL (THOUS)					8200	12665	+ 4465	54	8200	10200	+ 2000	24
4. NUMBER OF IMPORT PERMIT REQUESTS					1000	1432	+ 432	43	1000	1300	+ 300	30
5. NUMBER OF SITES REQUIRING POST-ENTRY INSPECTIONS					520	512	- 8	2	520	520	+ 0	0
6. NUMBER OF CERTIFIED NURSERIES					170	167	- 3	2	170	167	- 3	2
7. NUMBER OF NEW NOXIOUS WEED INFESTATIONS					1	0	- 1	100	1	1	+ 0	0
8. NUMBER OF WIDESPREAD NOXIOUS WEED INFESTATIONS					40	40	+ 0	0	40	40	+ 0	0
9. NO. OF NEW INFESTATIONS OF INSECTS AND OTHER PESTS					40	38	- 2	5	40	45	+ 5	13
10. NO. OF WIDESPREAD INFEST OF INSECTS AND OTHER PEST					10	12	+ 2	20	15	12	- 3	20
PART IV: PROGRAM ACTIVITY												
1. NUMBER OF AIRCRAFT AND SHIPS MONITORED (THOUSANDS)					45	19	- 26	58	45	35	- 10	22
2. NUMBER OF AIR AND SEA PASSENGERS MONITORED (THOUS)					6500	1393	- 5107	79	6500	3500	- 3000	46
3. NO. OF BAGGAGE, CARGO, AND MAIL INSPECTED (THOUS)					8200	11665	+ 3465	42	8200	10200	+ 2000	24
4. NUMBER OF POST-ENTRY INSPECTIONS CONDUCTED					420	98	- 322	77	420	225	- 195	46
5. NUMBER OF CERTIFIED NURSERY INSPECTIONS					352	326	- 26	7	348	334	- 14	4
6. NUMBER OF CHEM/MECH CNTRL AND ERADICATION PROJECTS					15	10	- 5	33	15	10	- 5	33
7. BIOLOGICAL CONTROL OF PEST SPECIES (# OF PROJECTS)					8	8	+ 0	0	8	6	- 2	25
8. SEED TEST AND ANALYSIS (NUMBER OF LOTS)					35	61	+ 26	74	35	35	+ 0	0

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 03 02 01
AGR 122

PROGRAM TITLE: PLANT PEST AND DISEASE CONTROL

PART I - EXPENDITURES AND POSITIONS

Variances were due to restrictions, position vacancies, and lower than expected special and federal fund expenditures. Variances in positions are due to lack of qualified applicants for vacant positions.

PART II - MEASURES OF EFFECTIVENESS

Item 1. The increase is due to the increased number of illegal animal shipments.

Item 2. The number of pest interceptions decreased due to reduced cargo shipments due to the COVID-19 pandemic and staff focusing time and effort on high-risk, Not Known to Occur (NKO) in Hawaii pests. Number of NKOs account for roughly half the interceptions turned in. High level of compliance for origin inspections and certified nurseries also resulted in reduced insect interceptions.

Item 3. The reduction is due to less cargo shipments due to the COVID-19 pandemic and staff focusing on high-risk species that are NKO.

Item 4. The high increase is due to the stay-at-home orders for COVID-19. With so many people at home, there was increased interest in maintaining pets and many individuals looked to the internet to obtain animals that they did not know were illegal in Hawaii. This resulted in a dramatic increase in illegal animal shipments.

Item 7. All Certified Nurseries are in compliance; origin inspections at 98% compliance.

PART III - PROGRAM TARGET GROUPS

Item 1. The reduction is due to the COVID-19 pandemic, resulting in an 80-90% reduction in domestic inbound flights, depending on which island.

Item 2. Reduction is due to COVID-19 pandemic and subsequent travel restrictions. Even with flights arriving, most aircraft were carrying little to no passengers.

Item 3. Significant increase due to the stay-at-home orders for COVID-19. Individuals were forced to rely on e-commerce and other web-based sellers for goods resulting in substantial increases in imported parcels through express mail carriers.

Item 4. Increase is due to the stay-at-home orders for COVID-19. The increase in permit volume was primarily for the importation of non-domestic animals as pets.

Item 7. No new noxious weed infestations were detected in FY 20 during surveys.

Item 10. The number of widespread infestations of insects and other pests is expected to increase. Most prominently will be the expected expansion of distribution of little fire ant as more infestations are identified statewide and a collective lack of staffing resources to respond to new infestations in a meaningful way. Queensland longhorned beetle will continue to expand its infestation range and is expected to be detected on another island. Two-lined spittlebug will continue to expand its infected range and will likely be detected on a new island in a few years.

PART IV - PROGRAM ACTIVITIES

Item 1. Reduction is due to the COVID-19 pandemic, resulting in an 80-90% reduction in domestic inbound flights, depending on which island.

Item 2. Reduction is due to the COVID-19 pandemic and subsequent travel restrictions. Even with flights arriving, most aircraft were carrying little to no passengers.

Item 3. There was a significant increase due to the stay-at-home orders for COVID-19. Individuals were forced to rely on e-commerce and other web-based sellers for goods resulting in substantial increases in imported parcels through express mail carriers.

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 03 02 01
AGR 122

PROGRAM TITLE: PLANT PEST AND DISEASE CONTROL

Item 4. The Land Vertebrate Specialist (LVS) position was filled in December 2019. The LVS oversees the largest number of post entry inspections. However, due to the COVID-19 pandemic and stay-at-home orders, many sites were not accessible for inspections. Additionally, these inspections were given lower priority due to staff safety concerns regarding social distancing requirements, as they are normally done in close proximity with permittees for periods far exceeding 15 minutes.

Item 6. COVID-19 restrictions kept staff out of the office and out of the field for a prolonged period of time. Coupled with the lack of Oahu staff due to promotion and retirements, there was a decreased number of active projects, especially on Oahu.

Item 7. COVID-19 related travel restrictions will negatively impact the State's ability to conduct foreign exploration. While adjustments have been made to increase national and international collaboration and facilitate the sharing of natural enemies and foreign exploration on shared targets, movement of natural enemies have been significantly impacted due to global reduction in the number of flights. The lack of Trans-Pacific lift capacity to Hawaii has negatively impacted biocontrol programs in Hawaii for an estimated three to five years, with delays in ongoing and future projects. Costs for shipment and movement of biocontrol agents for testing and evaluation will increase until foreign air travel increases significantly in volume. Staffing has also been reduced, necessitating a reduction in the number of target species which can be worked on.

Item 8. The number of seed lots tested depends upon receiving seeds from distributors, private entities, and the U.S. Department of Agriculture.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	60.00	49.00	- 11.00	18	60.00	48.00	- 12.00	20	60.00	51.00	- 9.00	15
EXPENDITURES (\$1000's)	6,130	5,122	- 1,008	16	1,350	1,350	+ 0	0	4,587	4,587	+ 0	0
TOTAL COSTS												
POSITIONS	60.00	49.00	- 11.00	18	60.00	48.00	- 12.00	20	60.00	51.00	- 9.00	15
EXPENDITURES (\$1000's)	6,130	5,122	- 1,008	16	1,350	1,350	+ 0	0	4,587	4,587	+ 0	0
					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. NUMBER OF RABIES CASES IN THE COMMUNITY		0	0	+	0	0	0	0	0	0	+	0
2. NO. OF DISEASE-FREE STATUS OBTAINED & MAINTAINED		5	5	+	0	0	0	0	5	5	+	0
3. NO.OF DISEASE CNTRL PROG W/ PUBLIC HEALTH IMPACT		6	6	+	0	0	0	0	6	6	+	0

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

PROGRAM TITLE: ANIMAL PEST AND DISEASE CONTROL

01 03 02 02

PART I - EXPENDITURES AND POSITIONS

Details of the position and expenditures variances are best examined at the lowest program level.

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	34.32	29.32	- 5.00	15	34.32	28.32	- 6.00	17	34.32	30.32	- 4.00	12
EXPENDITURES (\$1000's)	3,933	3,503	- 430	11	888	888	+ 0	0	3,058	3,058	+ 0	0
TOTAL COSTS												
POSITIONS	34.32	29.32	- 5.00	15	34.32	28.32	- 6.00	17	34.32	30.32	- 4.00	12
EXPENDITURES (\$1000's)	3,933	3,503	- 430	11	888	888	+ 0	0	3,058	3,058	+ 0	0
					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. NUMBER OF RABIES CASES IN THE COMMUNITY					0	0	+ 0	0	0	0	+ 0	0
2. NUMBER OF ALIEN PESTS DETECTED					4	7	+ 3	75	5	7	+ 2	40
PART III: PROGRAM TARGET GROUP												
1. DOGS AND CATS QUARANTINED					700	4011	+ 3311	473	700	3000	+ 2300	329
2. POPULATION OF HAWAII					1450000	1415000	- 35000	2	1450000	1415000	- 35000	2
PART IV: PROGRAM ACTIVITY												
1. NUMBER OF DOGS AND CATS QUARANTINED - 120 DAYS					50	200	+ 150	300	50	200	+ 150	300
2. NO. OF DOGS & CATS QUARANTINED- LESS THAN 120 DAYS					650	3811	+ 3161	486	650	3800	+ 3150	485
3. NO. QUAL DOGS & CATS RELEASD AFTER INSP UPON ARRVL					14400	12144	- 2256	16	14700	13000	- 1700	12
4. NUMBER OF DOGS AND CATS QUARANTINED - TRANSIT					200	123	- 77	39	200	150	- 50	25
5. NO. OF SATELLITE & APPROVED VET FACILITY MONITORED					32	32	+ 0	0	32	32	+ 0	0
6. NO. OF DOGS & CATS SAMPLED FOR EXTERNAL PARASITES					2	5	+ 3	150	2	6	+ 4	200
7. NO. OF DOGS & CATS SAMPLED FOR INTERNAL PARASITES					1000	650	- 350	35	1000	600	- 400	40
8. NO. SVC DOGS & ELIGIBLE GUIDE DOG ENTRIES PROCESSED					1500	744	- 756	50	1600	1600	+ 0	0

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 03 02 02 01
AGR 131

PROGRAM TITLE: RABIES QUARANTINE

PART I - EXPENDITURES AND POSITIONS

The variances in expenditures are due to vacant positions. The variances in positions filled are due to the inability to find qualified candidates for vacant positions.

PART II - MEASURES OF EFFECTIVENESS

Item 2. The increase in alien pests detected is associated with the continuing increased tick infestations in the originating areas of the continental United States.

PART III - PROGRAM TARGET GROUPS

Item 1. The increased amount of animals quarantined is primarily due to the increased number of animals arriving before the date they are qualified for Direct Airport Release and an increase in the number of animals under the Five-Day-or-Less Program, also known as 5 Day Or Less quarantine program, not released on arrival. A decrease is expected in FY 21 due to effects of COVID-19 transpacific travel.

PART IV - PROGRAM ACTIVITIES

Items 1 & 2. The FY 20 increase in the amount of animals quarantined is due primarily to the increased number of animals arriving before the date they are qualified for Direct Airport Release and an increase in the number of animals under the 5 Day Or Less program not released on arrival. A higher number of animals also arrived without any preparations done for the 5 Day or Less program, resulting in quarantine for 120 days. A decrease in the 120-day category is expected in FY 21 due to recent administrative rule changes affecting import requirements. However, an increase in the number of 5 Day Or Less category animals is anticipated, similar to FY 20, that may be due indirectly to the effects of COVID-19 and the inability for pet owners to complete entry requirements in a timely manner.

Item 3 & 4. A reduction of animals entering the State or in these categories was due to the pandemic and is expected to continue in FY 21.

Item 6. The increase in external parasite sampling is due to an increase in the number of animals entering the State with ectoparasites.

Item 7. The decrease in the number of animals sampled for internal parasites is due to shorter confinement periods implemented in FY 19 and may also be indirectly due to the effects of COVID-19 effects on travel.

Item 8. The decrease in Service Dogs in FY 20 is likely due to the COVID-19 effects on travel and may continue in FY 21

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	25.68	19.68	-	6.00	23	25.68	19.68	-	6.00	23	25.68	20.68	-	5.00	19
EXPENDITURES (\$1000's)	2,197	1,619	-	578	26	462	462	+	0	0	1,529	1,529	+	0	0
TOTAL COSTS															
POSITIONS	25.68	19.68	-	6.00	23	25.68	19.68	-	6.00	23	25.68	20.68	-	5.00	19
EXPENDITURES (\$1000's)	2,197	1,619	-	578	26	462	462	+	0	0	1,529	1,529	+	0	0
					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21						
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. NO. OF DISEASE-FREE STATUS OBTAINED & MAINTAINED					5	5	+	0	0	5	5	+	0	0	
2. NO.OF OIE DISEASES OF LVSTK & POLTRY NOT IN STATE					111	111	+	0	0	111	111	+	0	0	
3. NO. DISEASE CNTRL & ERAD PRG & VOL DIS STATUS PROG					8	9	+	1	13	8	9	+	1	13	
4. NO.OF DISEASE CNTRL PROG W/ PUBLIC HEALTH IMPACT					6	6	+	0	0	6	6	+	0	0	
PART III: PROGRAM TARGET GROUP															
1. LIVESTOCK PRODUCERS					2800	2800	+	0	0	2800	2800	+	0	0	
2. AQUACULTURE PRODUCERS					100	100	+	0	0	100	100	+	0	0	
3. HUMAN POPULATION					1450000	1364960	-	85040	6	1450000	1360000	-	90000	6	
PART IV: PROGRAM ACTIVITY															
1. NO. LVSTK & EXOTIC ANMLS INSP/TEST ON ENTRY					2000	763	-	1237	62	2000	1000	-	1000	50	
2. NO. DAY-OLD CHICKS AND HATCHED EGGS INSP ON ENTRY					800000	556968	-	243032	30	800000	650000	-	150000	19	
3. NUMBER OF DOGS AND CATS INSPECTED ON ENTRY					18000	13066	-	4934	27	18000	15000	-	3000	17	
4. NO. POLTRY,OTH BRDS, NON-DMSTC ANMLS INSP ON ENTRY					20000	11204	-	8796	44	20000	12000	-	8000	40	
5. NO. SMPLS COLLECTD & ANMLS FIELD TSTD: ENTRY, SURV					1800	1993	+	193	11	1800	2000	+	200	11	
6. # OF LVSTCK/AQUA/ EPIDEMI DISEASE INVESTIGATIONS					10	60	+	50	500	10	50	+	40	400	
7. NO. SMPLS COLL/PRCSD FOR FED-ST DISEAS SURV PROGS					2000	1192	-	808	40	2000	1500	-	500	25	
8. NO. LAB TESTS FOR LVSTK/PLTRY DISEASE SURVEILLANCE					4500	4098	-	402	9	4500	5138	+	638	14	
9. NO. TESTS FOR IMPORTED ANMLS INCL DOGS AND CATS					6000	5500	-	500	8	5500	5500	+	0	0	
10. # OF AQUATIC ANIMAL HEALTH DOCUMENTS ISSUED					2000	1538	-	462	23	2000	1400	-	600	30	

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 03 02 02 02
AGR 132

PROGRAM TITLE: ANIMAL DISEASE CONTROL

PART I - EXPENDITURES AND POSITIONS

Variances in expenditures are due to vacancies and the absence of special fund expenditures. Variances in positions are due to difficulties in finding qualified candidates for vacant positions.

PART II - MEASURES OF EFFECTIVENESS

Item 3. Increase due to adding surveillance for African swine fever.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

Item 1. The decrease is due to the number of market hogs being imported into the State.

Item 2. The decrease is due to the delay of an anticipated start up of a new egg layer operation on Oahu, resulting in a reduction in the number of day-old chicks and hatching eggs entering the State.

Item 3. The decrease is due to a reduction in the number of pets entering the State as a result of decreases in travel associated with the COVID-19 outbreak.

Item 4. The decrease is due to the lower number of upland game birds entering the State.

Items 5 & 6. The increases are due to the number of smaller operations and backyard type farmers getting into livestock and poultry production; some of which have been associated with self-sustainability efforts during the COVID-19 outbreak. A lack of formal education and experience results in requests for assistance with diagnostics for otherwise routine disease occurrences and investigations.

Item 7. Decrease is a result of delays in farm testing activities and animal imports due to COVID-19 pandemic quarantine and travel restrictions.

Item 10. The decrease is due to a reduction in the documentation required for shrimp exportation to certain international destinations such as India.

VARIANCE REPORT

	FISCAL YEAR 2019-20					THREE MONTHS ENDED 09-30-20					NINE MONTHS ENDING 06-30-21				
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	64.00	47.00	-	17.00	27	64.00	46.00	-	18.00	28	64.00	47.00	-	17.00	27
EXPENDITURES (\$1000's)	16,717	8,965	-	7,752	46	2,876	2,080	-	796	28	9,697	10,493	+	796	8
TOTAL COSTS															
POSITIONS	64.00	47.00	-	17.00	27	64.00	46.00	-	18.00	28	64.00	47.00	-	17.00	27
EXPENDITURES (\$1000's)	16,717	8,965	-	7,752	46	2,876	2,080	-	796	28	9,697	10,493	+	796	8
						FISCAL YEAR 2019-20					FISCAL YEAR 2020-21				
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. MARKETING ACTIVITIES CREATED, CONDUCTED OR MANAGED						24	25	+	1	4	24	24	+	0	0
2. NO. OF REQ FOR PROPOSALS OFFERED TO ASSOCIATION						4	6	+	2	50	4	4	+	0	0
3. NO. OF CONTRACTS, LOA, MOU, ADMINISTERED						20	555	+	535	2675	20	75	+	55	275

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

PROGRAM TITLE: PRODUCT DEVELOPMENT AND MARKETING FOR AGR

01 03 03

PART I - EXPENDITURES AND POSITIONS

Details of the position and expenditures variances are best examined at the lowest program level.

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	28.00	23.00	- 5.00	18	28.00	23.00	- 5.00	18	28.00	23.00	- 5.00	18
EXPENDITURES (\$1000's)	9,600	4,647	- 4,953	52	1,615	819	- 796	49	4,978	5,774	+ 796	16
TOTAL COSTS												
POSITIONS	28.00	23.00	- 5.00	18	28.00	23.00	- 5.00	18	28.00	23.00	- 5.00	18
EXPENDITURES (\$1000's)	9,600	4,647	- 4,953	52	1,615	819	- 796	49	4,978	5,774	+ 796	16

	FISCAL YEAR 2019-20				FISCAL YEAR 2020-21			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. NO. OF SEEDLINGS DISTRIBUTED AND/OR SOLD	100	91	- 9	9	100	100	+ 0	0
2. NO. OF ACRES OF TREE PLANTING OR REFORESTATION	100	46	- 54	54	100	100	+ 0	0
3. NO. OF LANDOWNERS/ORGANIZATNS/COMMUNITIS ASSISTED	100	90.8	- 9.2	9	100	100	+ 0	0
4. % STATE FUNDING MATCHED AGAINST O/SIDE FUNDNG SRCS	100	250	+ 150	150	100	100	+ 0	0
5. ACRES ACQRD/SCRD FOR FORST RSRV/OTHER FRSTRY PRPS	100	225	+ 125	125	100	200	+ 100	100
6. ACRES DEPRTMNTL LANDS UNDR COMMERCIAL TIMBER MGMT	100	.6	- 99.4	99	100	2	- 98	98
7. \$ VALUE REVNUUE FR FORST PROD & OTHR FORST REV SRCS	100	102	+ 2	2	100	100	+ 0	0
8. NO. INFORMTIONL MATRLS PRODCD & OUTRCH EVNTS ATTND	100	100	+ 0	0	100	100	+ 0	0

PART III: PROGRAM TARGET GROUP								
1. FOREST PRODCR PRODCCRS/PROCSSRS/RELTD BUSNS/INVSTRS	150	471	+ 321	214	150	150	+ 0	0
2. FOREST AND RANGE LANDOWNERS	50	147	+ 97	194	50	400	+ 350	700
3. BUSINESS COMMUNITY	50	48	- 2	4	50	25	- 25	50
4. EDUCATION COMMUNITY	NO DATA	5	+ 5	0	NO DATA	5	+ 5	0
5. WATERSHED PARTNERS	NO DATA	10	+ 10	0	NO DATA	10	+ 10	0
6. COMMUNITY VOLUNTEER ORGANIZATIONS	100	242	+ 142	142	100	250	+ 150	150

PART IV: PROGRAM ACTIVITY								
1. PRODCR & SUBSQNTL DISTRBTE &/OR SELL TREE SEEDLNGS	60000	54623	- 5377	9	60000	60000	+ 0	0
2. PLANT OR REFOREST DEPARTMENTAL LANDS	150	69	- 81	54	150	150	+ 0	0
3. PROVDE TECH FORSTRY ASSIST TO LNDWNRS/ORG/AGN/COMM	1000	908	- 92	9	1000	1000	+ 0	0
4. LEVERAGE STATE FUNDS/ASSOC SVCS THRU GRNTS/PRGM	2	5	+ 3	150	2	2	+ 0	0
5. ACQUIRE/SECURE LANDS ADDTN TO FOREST RES SYS	2000	4516	+ 2516	126	2000	4000	+ 2000	100
6. DEVELOP DEPARTMENTAL LANDS FOR COMMERCL TIMBR MNGT	6000	40	- 5960	99	6000	100	- 5900	98
7. GENERATE REVENUES FROM NON-TRADTNL FOREST PRODUCTS	50000	51295	+ 1295	3	50000	50000	+ 0	0

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 03 03 01
LNR 172

PROGRAM TITLE: FORESTRY - RESOURCE MANAGEMENT & DEVELOPMENT

PART I - EXPENDITURES AND POSITIONS

The number of positions filled was less than the budgeted in FY 20 and 1st quarter of FY 21 due to vacancies attributed to staff promotions, retirements and resignations, as well as a hiring freeze that began in March 2020. The division is unable to fill all 28 budgeted positions by the end FY 21 due to the defunding of 5 permanent positions by Act 9, SLH 2020.

The program expenditures for FY 20 were 52% below the allowed and budgeted ceiling. The program did not generate the projected revenues in S-347 for commercial forestry projects due to implementation delays. Funds actually expended in the first quarter of FY 20 were less than budgeted due to transfers between State funds and federal grant reimbursements; State funds must be expended before the Department can request federal grant reimbursement, which is then returned to the State general fund. The variance is also due to the delay in contract and purchase order encumbrances.

PART II - MEASURES OF EFFECTIVENESS

Item 2. The Department was 54% below the target for trees planted or reforested. This variance is attributed to impacts associated with COVID-19 restrictions and limited ability to use group and volunteer planting events.

Item 4. The Department was 150% above the target of State funding matched against other nonstate funding sources. This is largely due to the purchase of the Waimea Native Forest on O'ahu that contributed over \$3 million of federal and private funds towards the acquisition.

Item 5. The Department was 125% above the target of acres acquired thanks to the purchase of the Waimea Native Forest on O'ahu and Pua'ahala Watershed on Moloka'i. The Department has several executive orders processing for addition to the Forest Reserve System and multiple large land acquisitions pending for FY 21.

Item 6. The Department was 99% below the target for lands under commercial timber management due to only small-scale commercial sales through the forest reserves; much of the Department's commercial timber production is focused on smaller scale sales at this time.

PART III - PROGRAM TARGET GROUPS

Item 1. In FY 20, the Department was 214% above the target due to efforts to increase commercial timber management and non-timber forest products, as well as increasing business interest in investing in natural resource management.

Item 2. In FY 20, the Department was 194% above the target and is projected to be 700% above the target in FY 21 largely due in part to the large number of landowners interested in technical support on forest management for their properties.

Item 4. New goal category for this reporting period; the target goal should be set at 10.

Item 5. New goal category for this reporting period; the target goal should be set at 10.

Item 6. The Department was 142% above the goal for target groups due to the recent hiring of an Urban and Community Forester and establishment of the Hawaii Wood Utilization Team, both of which have done substantial amount of community engagement and outreach and engaged community volunteer organizations.

PART IV - PROGRAM ACTIVITIES

Item 1. No significant variances.

Item 2. The Department reforested an estimated 69 acres during FY 20, which is 54% below our target. This variance is attributed to impacts associated with COVID-19 restrictions and limited ability to use group and volunteer planting events.

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 03 03 01
LNR 172

PROGRAM TITLE: FORESTRY - RESOURCE MANAGEMENT & DEVELOPMENT

Item 4. The Department's leverage State resources increased, with over \$5 million from private and federal funds. The increase beyond the goal is largely due to the purchase of the Waimea Native Forest on O'ahu that contributed over \$3 million of federal and private funds towards the acquisition.

Item 5. The Department secured 4,516 acres of land through the purchase of the Waimea Native Forest on O'ahu and Pu'uahala Watershed on Moloka'i during FY 20, which is 126% higher than the target. Additionally, the Department is still processing several executive orders for addition to the Forest Reserve System, and actively worked on several acquisition projects of approximately 16,800 acres and anticipates closing in FY 21 and FY 22.

Item 6. The Department placed 40 acres of its land under commercial timber management during FY 20, which is 99% below our target. This variance is attributed to a focus on smaller-scale commercial harvesting opportunities for higher valued products.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	23.00	14.00	- 9.00	39	23.00	13.00	- 10.00	43	23.00	14.00	- 9.00	39
EXPENDITURES (\$1000's)	3,522	1,813	- 1,709	49	627	627	+ 0	0	2,116	2,116	+ 0	0
TOTAL COSTS												
POSITIONS	23.00	14.00	- 9.00	39	23.00	13.00	- 10.00	43	23.00	14.00	- 9.00	39
EXPENDITURES (\$1000's)	3,522	1,813	- 1,709	49	627	627	+ 0	0	2,116	2,116	+ 0	0
					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. % OF ENFORCEMENT INSP THAT COMPLY W/ LAWS AND RULE					95	96	+ 1	1	95	95	+ 0	0
2. % CERTIFICATION REQUESTS FULFILLED					100	100	+ 0	0	100	100	+ 0	0
3. AVERAGE TURN AROUND TIME IN DAYS FOR COFFEE CERT					3	3	+ 0	0	3	3	+ 0	0
4. % OF MIN CLASS ONE MILK PRICE RECEIVED BY PRODUCER					100	100	+ 0	0	100	100	+ 0	0
5. % OF AUDITED FARMS COMPLYING W/ GOOD AG PRACTICES					95	95	+ 0	0	95	95	+ 0	0
PART III: PROGRAM TARGET GROUP												
1. PRODUCERS AND PROCESSORS OF AGRICULTURAL PRODUCTS					5500	5500	+ 0	0	5500	5500	+ 0	0
2. WHOLESALERS AND RETAILERS OF AGRICULTURAL PRODUCTS					441	439	- 2	0	441	441	+ 0	0
3. PRODUCERS, PROD-DISTRIB & DISTRIBUTORS OF MILK					22	19	- 3	14	22	19	- 3	14
4. PRODUCERS AND DISTRIBUTORS OF ANIMAL FEED PRODUCTS					12	8	- 4	33	12	12	+ 0	0
PART IV: PROGRAM ACTIVITY												
1. # OF CERT ISSUED FOR GRADE AND COND OF AG COMM					1000	853	- 147	15	1000	1900	+ 900	90
2. # OF LOTS OF AG COMM INSP FOR COMP W/ LAWS & RULES					2000	8245	+ 6245	312	2000	2000	+ 0	0
3. NUMBER OF DEALERS IN AG PRODUCTS LICENSED					950	923	- 27	3	950	950	+ 0	0
4. # PRODUCERS, PROD-DIST, AND DIST OF MILK LICENSED					24	19	- 5	21	24	19	- 5	21
5. NUMBER OF MONTHLY MILK PAYROLLS CALCULATED					24	24	+ 0	0	24	24	+ 0	0
6. # OF TIMES MIN PRICE TO MILK PRODUCERS IS ADJUSTED					12	12	+ 0	0	12	12	+ 0	0
7. # OF HRS EDUC SESSIONS TO IMP COMP W/ LAWS & RULE					10	2	- 8	80	10	10	+ 0	0

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 03 03 02
AGR 151

PROGRAM TITLE: QUALITY AND PRICE ASSURANCE

PART I - EXPENDITURES AND POSITIONS

Variances were due to position vacancies and lower than expected special, revolving, and federal fund expenditures. Position variances are due to lack of qualified candidates for vacant positions.

PART II - MEASURES OF EFFECTIVENESS

No significant variances.

PART III - PROGRAM TARGET GROUPS

Item 3. The decrease in producers, producer-distributors, and distributors of milk is due to the closing of one dairy.

Item 4. The decrease in producers and distributors importing animal feed products is possibly due to shipping costs.

PART IV - PROGRAM ACTIVITIES

Item 1. The variance is due to a decline in certification of agricultural commodities.

Item 2. The increase in variance is due to availability of fresh fruits and vegetables inspected for compliance with laws and rules.

Item 4. The variance is due to a decline in local milk industry.

Item 7. The decreased number of hours of education sessions are due to limited outreach activities resulting from the COVID-19 pandemic.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	13.00	10.00	- 3.00	23	13.00	10.00	- 3.00	23	13.00	10.00	- 3.00	23
EXPENDITURES (\$1000's)	3,595	2,505	- 1,090	30	634	634	+ 0	0	2,603	2,603	+ 0	0
TOTAL COSTS												
POSITIONS	13.00	10.00	- 3.00	23	13.00	10.00	- 3.00	23	13.00	10.00	- 3.00	23
EXPENDITURES (\$1000's)	3,595	2,505	- 1,090	30	634	634	+ 0	0	2,603	2,603	+ 0	0
					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. MARKETING ACTIVITIES CREATED, CONDUCTED OR MANAGED					24	25	+ 1	4	24	24	+ 0	0
2. PRODUCER GROUPS CONTACTED THRU OUTREACH ACTIVITIES					40	110	+ 70	175	40	80	+ 40	100
3. NO. OF REQ FOR PROPOSALS OFFERED TO ASSOCIATION					4	6	+ 2	50	4	4	+ 0	0
4. NO. OF CONTRACTS, LOA, MOU, ADMINISTERED					20	555	+ 535	2675	20	75	+ 55	275
PART III: PROGRAM TARGET GROUP												
1. PRODUCERS AND PROCESSORS OF AGRICULTURAL PRODUCTS					7000	7328	+ 328	5	7000	7328	+ 328	5
2. COMMODITY GROUPS					10	10	+ 0	0	10	10	+ 0	0
3. COMMODITY ASSOCIATIONS, COOPERATIVES, FEDERATIONS					10	10	+ 0	0	10	10	+ 0	0
PART IV: PROGRAM ACTIVITY												
1. SEEK AND APPLY FOR FED FUNDING VIA GRANTS, PRGMS					3	3	+ 0	0	3	3	+ 0	0
2. COLLECT, COMPILE AND PUBLISH STATISTICS (NASS/HAS)					75	58	- 17	23	75	60	- 15	20
3. CREATE ECONOMIC REPORTS AND MARKET STUDIES					20	14	- 6	30	20	15	- 5	25
4. PLAN, MANAGE, OR ATTEND TRADE SHOWS					5	5	+ 0	0	5	2	- 3	60

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 03 03 03
AGR 171

PROGRAM TITLE: AGRICULTURAL DEVELOPMENT AND MARKETING

PART I - EXPENDITURES AND POSITIONS

Variances were due to position vacancies and expenditure restrictions and reduced federal fund expenditures. Position variances are due to the lack of qualified candidates for vacant positions.

PART II - MEASURES OF EFFECTIVENESS

Item 2. The 175% increase in FY 20 was due to the pandemic-driven transition to virtual activities by the producer groups whose outreach activities increased in support of their members. The Market Development Branch (MDB) staff are assigned to commodity groups and participated in the groups' meetings to know of their needs and to make the groups aware of assistance from government agencies. Producer groups mobilized virtually, which increased MDB participation due to the lack of approvals required for travel and time to participate, making it possible to attend several commodity groups' meetings per week per MDB staff.

For FY 21, one MDB marketing position that was filled by temporary staff is currently not funded and may remain vacant. With this vacancy, the estimated number of contacts with producer groups during the post-COVID-19 recovery is expected to increase. Should outreach activities become reliant on funding, which is not assured, the estimate may not be achieved.

Item 3. For FY 20, the additional Requests for Proposals were due to a solicitation to support farmers, ranchers, producers and agriculture organizations through the COVID-19 Emergency Farmer Relief Program and a campaign to promote the Hawaii Seal of Quality Program to help consumers identify genuine Hawaii products in support of local agriculture.

Item 4. In FY 20, the 2675% increase was due to programs such as the Sponsorship and Product Promotion funding more proposals at lesser amounts, the administering of contracts assigned due to staff changes in other Divisions, and the processing of supplemental contracts to extend

the Time of Performance and/or Scope of Services for projects due to the impacts of the pandemic.

For FY 21, MDB anticipates a 275% increase due to the awarding of \$1.9 million to administer the Micro-Grants for Food Security program that will generate an additional 60 to 100 contracts to Hawaii farmers, ranchers, producers and organizations.

PART III - PROGRAM TARGET GROUPS

Item 1. The 7,328 producers and processors, a 5% increase from the previous year, is based on the 2017 Census of Agriculture for number of farms in Hawaii. This number will remain static until the 2022 Census of Agriculture is published.

PART IV - PROGRAM ACTIVITIES

Item 2. In FY 20, the 23% difference is attributed to vacant staff positions (2 of 6) in the Market Analysis and News Branch (MANB) due to a hiring freeze arising from the COVID-19 pandemic. The Branch is reestablishing its capacity to gather, analyze, and disseminate information and statistics beginning in Sept. 2019. New staff hired are beginning to contribute increasingly to the program. For FY 21, we anticipate about 60 items and move closer to the planned target when the vacant staff positions are filled.

Item 3. Like Item 2, the 30% difference in FY20 is attributed to vacant staff positions (2 of 6) in MANB due to a hiring freeze arising from the COVID-19 pandemic. For FY 21, MANB anticipates about 15 reports and moves closer to the planned target when the vacant staff positions are filled.

Item 4. For FY 21, the 60% decrease in the estimated number of trade shows to be planned, managed, or attended is due to the uncertainty of the post-COVID-19 impact on trade shows and global trade. For FY 21, MDB plans to participate in FOODEX and the Intntl Food Ingredients and Additives trade shows in Japan, both postponed from FY 20.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	80.00	56.00	- 24.00	30	80.00	53.00	- 27.00	34	80.00	58.00	- 22.00	28
EXPENDITURES (\$1000's)	15,438	11,692	- 3,746	24	3,484	3,484	+ 0	0	11,377	11,377	+ 0	0
TOTAL COSTS												
POSITIONS	80.00	56.00	- 24.00	30	80.00	53.00	- 27.00	34	80.00	58.00	- 22.00	28
EXPENDITURES (\$1000's)	15,438	11,692	- 3,746	24	3,484	3,484	+ 0	0	11,377	11,377	+ 0	0
					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. # OF ACRES RECLASSIFIED FROM AGR TO URBAN USE					300	0	- 300	100	300	300	+ 0	0
2. LANDS IRRIGATED BY DEPT OF AG IRRIG SYS (ACRES)					12400	11870	- 530	4	12400	11870	- 530	4

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

PROGRAM TITLE: GENERAL SUPPORT FOR AGR

01 03 04

PART I - EXPENDITURES AND POSITIONS

Details of the position and expenditures variances are best examined at the lowest program level.

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	37.00	31.00	- 6.00	16	37.00	29.00	- 8.00	22	37.00	33.00	- 4.00	11
EXPENDITURES (\$1000's)	4,666	3,598	- 1,068	23	1,008	1,008	+ 0	0	3,410	3,410	+ 0	0
TOTAL COSTS												
POSITIONS	37.00	31.00	- 6.00	16	37.00	29.00	- 8.00	22	37.00	33.00	- 4.00	11
EXPENDITURES (\$1000's)	4,666	3,598	- 1,068	23	1,008	1,008	+ 0	0	3,410	3,410	+ 0	0
					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. LANDS IRRIGATED BY DEPT OF AG IRRIG SYS (ACRES)					12400	11870	- 530	4	12400	11870	- 530	4
2. AGRICULTURAL LANDS LEASED (ACRES)					20000	20111	+ 111	1	20000	20150	+ 150	1
PART III: PROGRAM TARGET GROUP												
1. FARMS SERVED BY DEPT OF AG IRRIG SYSTEMS					615	600	- 15	2	615	597	- 18	3
2. FARMS LEASED ON DEPT OF AG LANDS					485	460	- 25	5	495	475	- 20	4
PART IV: PROGRAM ACTIVITY												
1. NO. OF CURRENT IRRIGATION/LAND CIP PROJECTS					75	68	- 7	9	75	75	+ 0	0
2. NUMBER OF NEW WATER SERVICES INSTALLED					10	0	- 10	100	10	3	- 7	70
3. PIPELINE AND DITCHES MAINTAINED (MILES)					100	100	+ 0	0	100	100	+ 0	0
4. NO. OF AG LAND FIELD INSPECTIONS CONDUCTED					360	285	- 75	21	370	345	- 25	7
5. NUMBER OF DAM SAFETY INSPECTIONS CONDUCTED					25	26	+ 1	4	25	12	- 13	52

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 03 04 01
AGR 141

PROGRAM TITLE: AGRICULTURAL RESOURCE MANAGEMENT

PART I - EXPENDITURES AND POSITIONS

Variances were due to vacant positions and lower than expected special and revolving fund expenditures. Position variances are due to a lack of qualified candidates for vacant positions.

PART II - MEASURES OF EFFECTIVENESS

No significant variances.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

Item 2 - Actual FY 20 - Prospective customers declined meter installation due to cost and unable to add customers until Big Island reservoir improvement projects are completed and water restored in the reservoirs. Estimated FY 21 - Anticipate farmers hesitating to start business due to unstable economy resulting from COVID-19 pandemic. Also, unable to add customers until Big Island reservoir improvement projects are completed and water restored in the reservoirs.

Item 4 - There were fewer leases transferred from the Department of Land and Natural Resources than anticipated. Additionally, since COVID-19 restrictions took effect in the second half of FY 20, all site visits were postponed until such time that it is deemed safer to resume this activity.

Item 5 - Estimated FY 21 - Travel limited due to COVID-19 pandemic, which will limit the amount of dam safety inspections that can be conducted.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21						
	BUDGETED	ACTUAL	±	CHANGE	%	BUDGETED	ACTUAL	±	CHANGE	%	BUDGETED	ESTIMATED	±	CHANGE	%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	10.00	0.00	-	10.00	100	10.00	0.00	-	10.00	100	10.00	0.00	-	10.00	100
EXPENDITURES (\$1000's)	7,295	5,291	-	2,004	27	1,163	1,163	+	0	0	4,028	4,028	+	0	0
TOTAL COSTS															
POSITIONS	10.00	0.00	-	10.00	100	10.00	0.00	-	10.00	100	10.00	0.00	-	10.00	100
EXPENDITURES (\$1000's)	7,295	5,291	-	2,004	27	1,163	1,163	+	0	0	4,028	4,028	+	0	0

					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21					
					PLANNED	ACTUAL	±	CHANGE	%	PLANNED	ESTIMATED	±	CHANGE	%
PART II: MEASURES OF EFFECTIVENESS														
1.	ACRES OF AGRICULTURAL LANDS DIRECTLY MANAGED				31031	32250	+	1219	4	31741	31031	-	710	2
2.	ACRES AG LANDS SRVED BY ADC IRRIG SYS & INFRSTRC				18846	18346	-	500	3	18846	18846	+	0	0
3.	NO. OF IRRIG AND INFRSTRC PROJ MANAGED BY ADC				4	4	+	0	0	4	4	+	0	0
4.	NO. OF AG RELATED FACILITIES MANAGED BY ADC				1	1	+	0	0	3	3	+	0	0
5.	ADC PROJECTS THAT BENEFIT DIVERSIFIED AGRICULTURE				17	16	-	1	6	17	16	-	1	6
6.	ACRES OF LAND AGRIC CONSERV EASEMNTS UNDER ADC				108	108	+	0	0	108	108	+	0	0
7.	AGRIC RELATED PROJ NEEDING ADC EVAL & INVOLVEMENT				3	3	+	0	0	3	3	+	0	0
PART III: PROGRAM TARGET GROUP														
1.	ACRES FRMR SUGAR & PINE LND AVAIL FOR CONT AG USE				85032	86120	+	1088	1	85742	86247	+	505	1
2.	MAJOR AGRICULTURAL IRRIGATION SYS & INFRASTRUCTURE				11	10	-	1	9	11	10	-	1	9
3.	AG PRCESSING, MRSHALLING, PACKING, WAREHSING FACIL				3	2	-	1	33	3	2	-	1	33
4.	PRDCRS AND RELATED AGRIBUSINESS IN ADC PROJ AREAS				148	150	+	2	1	149	150	+	1	1
5.	AGRICULTURAL COOPERATIVES				6	5	-	1	17	6	5	-	1	17
6.	LNDOWNRS INTRESTD IN PRSERVING AG LAND OR INFRASTR				6	4	-	2	33	6	4	-	2	33
7.	PRVT GRPS, GOV AGNCIES WRKING AG OR LND/WTR ISSUES				18	17	-	1	6	18	19	+	1	6
PART IV: PROGRAM ACTIVITY														
1.	ACRES OF AGRICULTURAL LANDS MANAGED BY ADC (ACRES)				31638	30487	-	1151	4	32348	31269	-	1079	3
2.	# OF ONGOING IRRIG SYS AND INFRASTRUCTURE PROJECTS				9	8	-	1	11	9	8	-	1	11
3.	# OF TECH ASSIST/CONSULT/PROJ/STUDIES INITI BY ADC				3	3	+	0	0	2	2	+	0	0
4.	# OF GRANTS AND CONTRACTS AWRDED OR MANAGED BY ADC				1	1	+	0	0	1	1	+	0	0
5.	# OF ONGOING CAPITAL IMP PROJ FOR ADC ASSETS				7	7	+	0	0	8	7	-	1	13
6.	# PRDCRS BENEFIT FR ADC LAND, IRRIG, INFRSTR & FAC				151	149	-	2	1	156	149	-	7	4
7.	ACRES COVRD BY AG CONS EASMNT TITLES HELD BY ADC				108	108	+	0	0	108	108	+	0	0
8.	AGRICULTURE RELATED PROJ BEING EVALUATED BY ADC				2	2	+	0	0	2	2	+	0	0

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 03 04 02
AGR 161

PROGRAM TITLE: AGRIBUSINESS DEVELOPMENT AND RESEARCH

PART I - EXPENDITURES AND POSITIONS

Variances were due to lower than anticipated revolving fund expenditures.

PART II - MEASURES OF EFFECTIVENESS

No significant variances.

PART III - PROGRAM TARGET GROUPS

Item 2. Actual FY 20 and estimated FY 21 variance is due to the lack of funding for others to operate the East Kauai Irrigation System.

Item 3. Actual FY 20 and estimated FY 21 variance is due to lack of funding to continue master planning.

Item 5. Actual FY 20 and estimated variance is due to the Agribusiness Development Corporation's discontinued interest in acquiring the Kau Irrigation System.

Item 6. Program has not received the anticipated amount of interest from landowners.

PART IV - PROGRAM ACTIVITIES

Item 2. Actual FY 20 and estimated FY 21 variance are due to the lack of funding for others to operate the East Kauai Irrigation System.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	33.00	25.00	- 8.00	24	33.00	24.00	- 9.00	27	33.00	25.00	- 8.00	24
EXPENDITURES (\$1000's)	3,477	2,803	- 674	19	1,313	1,313	+ 0	0	3,939	3,939	+ 0	0
TOTAL COSTS												
POSITIONS	33.00	25.00	- 8.00	24	33.00	24.00	- 9.00	27	33.00	25.00	- 8.00	24
EXPENDITURES (\$1000's)	3,477	2,803	- 674	19	1,313	1,313	+ 0	0	3,939	3,939	+ 0	0
					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. # OF ACRES RECLASSIFIED FROM AG TO URBAN USE					300	0	- 300	100	300	300	+ 0	0
2. NUMBER OF POSITIONS FILLED					50	60	+ 10	20	50	5	- 45	90
3. % OF VENDOR PAYMENTS MADE WITHIN 30 DAYS					95	92	- 3	3	95	92	- 3	3
4. % OF DATA PROCESSING REQUESTS COMPLETED					95	93	- 2	2	95	93	- 2	2
PART III: PROGRAM TARGET GROUP												
1. INVENTORY OF IMPORTANT AG LANDS (ACRES)					137000	136489	- 511	0	137000	137000	+ 0	0
2. EMPLOYEES (NUMBER)					338	350	+ 12	4	340	350	+ 10	3
3. DIVISIONS (NUMBER)					6	6	+ 0	0	6	6	+ 0	0
4. BRANCHES (NUMBER)					12	12	+ 0	0	12	12	+ 0	0
5. ATTACHED AGENCIES (NUMBER)					1	1	+ 0	0	1	1	+ 0	0
PART IV: PROGRAM ACTIVITY												
1. # LAND USE PERMIT APPL REVIEWED AFFECTING AG LANDS					25	20	- 5	20	25	25	+ 0	0
2. NUMBER OF PERSONNEL ACTIONS PROCESSED					1900	1063	- 837	44	1900	1000	- 900	47
3. NUMBER OF PURCHASE ORDERS PROCESSED					2665	2507	- 158	6	2665	2650	- 15	1
4. NUMBER OF PETTY CASH CHECKS PROCESSED					130	80	- 50	38	130	120	- 10	8
5. NUMBER OF DATA PROCESSING REQUESTS RECEIVED					600	589	- 11	2	600	600	+ 0	0

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 03 04 03
AGR 192

PROGRAM TITLE: GENERAL ADMINISTRATION FOR AGRICULTURE

PART I - EXPENDITURES AND POSITIONS

The variances in expenditures are due to vacant positions. The variances in positions are due to lack of qualified applicants to fill positions.

PART II - MEASURES OF EFFECTIVENESS

Item 1. There were no land use boundary amendments brought for action before the land use commission.

Item 2. FY 20 variance and FY 21 estimated variance is due to budget conditions and associated hiring freeze.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

Item 1. FY 20 reduction is due to prioritization given to other work elements.

Item 2. The variance is due to the implementation of HIPay; many transactions require the Department of Human Resources Development's assistance for completion.

Items 4. The variance is due to an increased use of pCards (purchasing card) for purchases made by the department.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	17.00	14.00	- 3.00	18	17.00	14.00	- 3.00	18	17.00	13.00	- 4.00	24
EXPENDITURES (\$1000's)	2,878	1,866	- 1,012	35	379	349	- 30	8	2,005	2,035	+ 30	1
TOTAL COSTS												
POSITIONS	17.00	14.00	- 3.00	18	17.00	14.00	- 3.00	18	17.00	13.00	- 4.00	24
EXPENDITURES (\$1000's)	2,878	1,866	- 1,012	35	379	349	- 30	8	2,005	2,035	+ 30	1
					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. NUMBER OF LICENSES ISSUED					4	3.5	- 0.5	13	4	3.8	- 0.2	5
2. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS)					773	750	- 23	3	792	450	- 342	43
3. PRIMARY VALUE OF AQUACULTURE PRODUCTION (\$000)					87980	83232	- 4748	5	92380	88000	- 4380	5
4. TOTAL AQUACULTURE EMPLOYMENT					500	369	- 131	26	500	220	- 280	56

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

PROGRAM TITLE: FISHERIES AND AQUACULTURE

01 04

PART I - EXPENDITURES AND POSITIONS

Details of the position and expenditure variances are best examined at the lowest program level.

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.

PROGRAM TITLE:

FISHERIES MANAGEMENT

12/5/20

PROGRAM-ID:

LNR-153

PROGRAM STRUCTURE NO:

010402

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	13.00	11.00	- 2.00	15	13.00	11.00	- 2.00	15	13.00	10.00	- 3.00	23
EXPENDITURES (\$1000's)	2,116	1,531	- 585	28	275	245	- 30	11	1,705	1,735	+ 30	2
TOTAL COSTS												
POSITIONS	13.00	11.00	- 2.00	15	13.00	11.00	- 2.00	15	13.00	10.00	- 3.00	23
EXPENDITURES (\$1000's)	2,116	1,531	- 585	28	275	245	- 30	11	1,705	1,735	+ 30	2
	FISCAL YEAR 2019-20				FISCAL YEAR 2020-21							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. NUMBER OF LICENSES ISSUED	4	3.5	- 0.5	13	4	3.8	- 0.2	5				
2. FISHING RPRTS CLLCTD & PRCSSD AS % OF TTL RPTS DUE	97	97	+ 0	0	97	97	+ 0	0				
3. ONLINE COMMRL CL MRNE FSHNG LCNS ISSD/RNW, ADPTN RATE	42	50	+ 8	19	43	55	+ 12	28				
4. ONLINE COMMERCIAL FISH REPORT FILING, ADOPTN RATE	72	73	+ 1	1	72	75	+ 3	4				
5. FISHING SUCCESS (FISH/TRIP)	2	2	+ 0	0	2	2	+ 0	0				
6. NUMBER OF FISHERY MANAGEMENT AREAS	26	26	+ 0	0	27	26	- 1	4				
7. # OF NEW/AMENDED RULES TO SUSTAIN IMPORTNT SPECIES	1	0	- 1	100	1	3	+ 2	200				
8. NUMBER OF FISHERMAN INTERVIEWED (THOUSANDS)	7	7	+ 0	0	7	7	+ 0	0				
PART III: PROGRAM TARGET GROUP												
1. LICENSED COMMERCIAL FISHERS (1000)	3.7	3.1	- 0.6	16	3.7	3.4	- 0.3	8				
2. COMMERCIAL MARINE DEALERS (HUNDREDS)	2.2	2.1	- 0.1	5	2.2	2.2	+ 0	0				
3. FISHG-ASSOCIATED COMMERCIAL ENTERPRISES (100'S)	5	4	- 1	20	5	5	+ 0	0				
4. PUBLIC CONSUMERS OR USERS OF FISHERY PRDTS (000'S)	6	5	- 1	17	6	6	+ 0	0				
5. LICENSED FRESHWATER SPORT FISHERMEN (THOUSANDS)	5	5	+ 0	0	5	5	+ 0	0				
6. MARINE SPORT FISHERMEN (THOUSANDS)	156	170	+ 14	9	156	170	+ 14	9				
7. NON-CONSUMPTIVE RECREATIONAL USERS (THOUSANDS)	148	100	- 48	32	148	125	- 23	16				
8. RELATED COUNTY, STATE & FED RESOURCE MNGT AGENCIES	12	12	+ 0	0	12	12	+ 0	0				
PART IV: PROGRAM ACTIVITY												
1. COMMERCIAL FISHING LICENSES & PERMITS ISSUED (000)	4	3.5	- 0.5	13	4	3.8	- 0.2	5				
2. FISH DATA COLL - CATCH REPTS PROCESSED (000'S)	645	635	- 10	2	645	640	- 5	1				
3. MAIN HAWN ISLANDS BOTTOMFISH VESSEL I.D. REG(00'S)	1110	1029	- 81	7	1100	1070	- 30	3				
4. AQUARIUM PERMITS (HUNDREDS)	.7	0	- 0.7	100	1	0	- 1	100				
5. FISH DATA COLL - INTERNAL & EXTERN. DATA REQUESTS	200	200	+ 0	0	200	200	+ 0	0				
6. NO. OF MTGS & CONTACTS WITH OTHER MNGT AGENCIES	13	14	+ 1	8	13	15	+ 2	15				
7. FISHERY MANAGEMENT AREAS MANAGED	29	29	+ 0	0	30	29	- 1	3				
8. # OF RULES MADE FOR AQUATIC SPECIES CONSERVATION	55	55	+ 0	0	56	60	+ 4	7				
9. SURVEYS FOR FISHERMEN (THOUSANDS)	5.5	4.5	- 1	18	6	4.5	- 1.5	25				
10. SURVEYS OF FISHING AREAS	37	37	+ 0	0	37	37	+ 0	0				

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 04 02
LNR 153

PROGRAM TITLE: FISHERIES MANAGEMENT

PART I - EXPENDITURES AND POSITIONS

FY 20: All vacancies were frozen due to the economic impacts of the pandemic including an Aquatic Biologist V and Statistics Clerk. In addition, actual expenditures reflect a significant (585K) scale down on spending for all funding sources due to COVID-19.

FY 21: The program's two vacancies may not be filled this year due to lack of funding and expenditures were curtailed in the 1st quarter, as cost saving measures have been implemented because of the existing poor economic conditions the State is experiencing.

PART II - MEASURES OF EFFECTIVENESS

Item 1: The number of commercial marine fishing licenses issued decreased as fishermen are unable to sell their catch with the tourist industry feeling the impact of the pandemic over most of the year.

Item 3: Online purchases of commercial marine fishing licenses rose dramatically after the virus prevented over-the-counter sales in the 4th quarter last year and this has continued into FY 21.

Item 7: New rules on important marine species were delayed last year. However, these rules are expected to be completed this year. The rules include amending the regulation on crustaceans, limiting the number and size of certain herbivore species and increasing the legal size of juvenile goatfish from 5 to 8 inches on Maui.

PART III - PROGRAM TARGET GROUPS

Item 1: COVID-19 caused a decrease in the number of licensed fishermen last year, but we are expecting a rise in these numbers this year, although not to the level before the pandemic.

Item 3: The virus caused the number of commercial fishing enterprises to decrease last year, but we expect these numbers to get back to near where they were with the return of tourist this year.

Item 4: Similarly to Item #3, the pandemic reduced the number of consumer or users of fishery products during the 4th quarter of FY 20, but we believe this will return to close to normal levels when tourist come back in substantial number this year.

Item 6: A significant increase in saltwater fishing activity mainly for subsistence occurred due to the pandemic's economic impacts on the State.

Item 7: It is estimated that sport fishing activities decreased dramatically with the almost complete shutdown of tourism.

PART IV - PROGRAM ACTIVITIES

Item 1: The number of commercial fishing licenses and permits decreased last year as fishermen found it difficult to sell their catch with the tourist industry essentially closed.

Item 4: The suspension of commercial aquarium fishing reflects the zeros posted for actual and estimated aquarium permits issued.

Item 6: The number of meetings and contacts with management agencies increased slightly last fiscal year and is expected to increase further this year due to the ease and convenience of online meeting platforms.

Item 9: The number of fishermen surveys decreased marginally because of less survey hours last year and similar results are expected this year.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	4.00	3.00	-	1.00	25	4.00	3.00	-	1.00	25	4.00	3.00	-	1.00	25
EXPENDITURES (\$1000's)	762	335	-	427	56	104	104	+	0	0	300	300	+	0	0
TOTAL COSTS															
POSITIONS	4.00	3.00	-	1.00	25	4.00	3.00	-	1.00	25	4.00	3.00	-	1.00	25
EXPENDITURES (\$1000's)	762	335	-	427	56	104	104	+	0	0	300	300	+	0	0
					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21						
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS)					773	750	-	23	3	792	450	-	342	43	
2. PRIMARY VALUE OF AQUACULTURE PRODUCTION (\$000)					87980	83232	-	4748	5	92380	88000	-	4380	5	
3. TOTAL AQUACULTURE EMPLOYMENT					500	369	-	131	26	500	220	-	280	56	
PART III: PROGRAM TARGET GROUP															
1. AQUACULTURE OPERATIONS STATEWIDE					100	95	-	5	5	100	55	-	45	45	
PART IV: PROGRAM ACTIVITY															
1. INFORMATION SENT (NUMBER)					175	175	+	0	0	175	175	+	0	0	
2. PERMIT ASSISTANCE (NUMBER)					200	200	+	0	0	200	150	-	50	25	
3. DISEASE ASSISTANCE (NUMBER OF CASES)					250	250	+	0	0	250	250	+	0	0	
4. PROMOTIONAL EVENTS AND PRESENTATIONS (NUMBER)					4	4	+	0	0	4	4	+	0	0	

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 04 03
AGR 153

PROGRAM TITLE: AQUACULTURE DEVELOPMENT PROGRAM

PART I - EXPENDITURES AND POSITIONS

Variances were due to vacant positions and lower than anticipated expenditures from the Aquaculture Development Special Fund.

PART II - MEASURES OF EFFECTIVENESS

Items 1, 2, and 3: A significant decrease in production, value, and employment is expected in FY 21 due to the impact of COVID-19 that continues the trend that started in FY 20.

PART III - PROGRAM TARGET GROUPS

Item 1: A significant decrease in the number of aquaculture operations is expected in FY 21 due to the impact of COVID-19.

PART IV - PROGRAM ACTIVITIES

Item 2. A significant decrease in the number of permit inquiries is expected in FY 21 due to the impact of COVID-19.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	9.00	5.00	- 4.00	44	8.00	5.00	- 3.00	38	8.00	5.00	- 3.00	38
EXPENDITURES (\$1000's)	105,528	75,258	- 30,270	29	23,303	22,075	- 1,228	5	79,173	67,980	- 11,193	14
TOTAL COSTS												
POSITIONS	9.00	5.00	- 4.00	44	8.00	5.00	- 3.00	38	8.00	5.00	- 3.00	38
EXPENDITURES (\$1000's)	105,528	75,258	- 30,270	29	23,303	22,075	- 1,228	5	79,173	67,980	- 11,193	14
					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. INCREASE IN NUMBER OF COMPANIES FUNDED					10	NO DATA	- 10	100	10	NO DATA	- 10	100
2. # OF COMPANIES ASSTD AT HTDC INCUBATION CENTERS					300	24	- 276	92	300	25	- 275	92
3. TOTAL TENANT REVENUE (\$M)					71	55	- 16	23	71	60	- 11	15
4. NELHA REVENUES (INCL REIMBURSABLES) (\$M)					6.8	5.6	- 1.2	18	7.0	5.8	- 1.2	17

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

PROGRAM TITLE: TECHNOLOGY

01 05

PART I - EXPENDITURES AND POSITIONS

Details of the position and expenditure variances are best examined at the lowest program level.

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	5.00	4.00	-	1.00	20	5.00	4.00	-	1.00	20	5.00	4.00	-	1.00	20
EXPENDITURES (\$1000's)	3,211	3,945	+	734	23	551	594	+	43	8	2,369	2,369	+	0	0
TOTAL COSTS															
POSITIONS	5.00	4.00	-	1.00	20	5.00	4.00	-	1.00	20	5.00	4.00	-	1.00	20
EXPENDITURES (\$1000's)	3,211	3,945	+	734	23	551	594	+	43	8	2,369	2,369	+	0	0
						FISCAL YEAR 2019-20				FISCAL YEAR 2020-21					
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. % OF SOLAR WATER HEATER VARIANCES PROCESSED TIMELY						100	100	+	0	0	100	100	+	0	0
2. # OF BUSINESSES PARTICIPATING IN GREEN BUS. PROG.						15	16	+	1	7	15	15	+	0	0
3. # OF ENERGY STAKEHOLDERS REACHED						167360	159445	-	7915	5	172380	166088	-	6292	4
4. % OF SESF 12 ACTIVATIONS THAT ARE STAFFED						100	100	+	0	0	100	100	+	0	0
PART III: PROGRAM TARGET GROUP															
1. # OF EMERGING AND EXISTING RE PROJECT ENTITIES						120	133	+	13	11	125	133	+	8	6
2. # OF POTENTIAL GBP PARTICIPANTS CONTACTED						60	77	+	17	28	60	60	+	0	0
3. # OF BUILDING CODE ORGANIZATIONS						6	14	+	8	133	6	10	+	4	67
4. # OF ENERGY STAKEHOLDERS AND POLICY MAKERS						2046	1935	-	111	5	2128	2015	-	113	5
PART IV: PROGRAM ACTIVITY															
1. # OF TECH. ASSIST. TO PUBLIC & PRIVATE ENTITIES						1500	1817	+	317	21	1500	1300	-	200	13
2. # OF ANALYSES & PROJECTS SUPPORTING CLEAN ENERGY						18	31	+	13	72	18	24	+	6	33
3. # OF STAFF HOURS SUPPORTING THE EOC FOR SESF 12						1328	1483.5	+	155.5	12	1328	800	-	528	40
4. # OF LEGISLATIVE MEASURES TRACKED AND ADDRESSED						115	248	+	133	116	115	115	+	0	0

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

**01 05 01
BED 120**

PROGRAM TITLE: HAWAII STATE ENERGY OFFICE

PART I - EXPENDITURES AND POSITIONS

Positions: One vacant position was filled by Temporary Assignment. A general freeze on filling positions was in effect as of the last quarter of FY 20.

Expenditures: FY 20 expenditures exceeded the budgeted amount because the actual expenditures include amounts for prior years' encumbrances and expenditures from non-appropriated federal funds.

PART II - MEASURES OF EFFECTIVENESS

No significant variances.

PART III - PROGRAM TARGET GROUPS

Item 1. The number of emerging and existing renewable energy (RE) project entities was slightly higher because there were more RE projects during FY 20 than anticipated.

Item 2. With the assistance from a student intern, the Hawaii State Energy Office (HSEO) contacted more potential Green Business Program participants than planned.

Item 3. The number of building code organizations was greater than planned as more organizations were targeted due to the training and updates related to the 2015 International Energy Conservation Code.

PART IV - PROGRAM ACTIVITIES

Item 1. Technical assistance provided to public and private entities was higher than planned due to additional demands related to the COVID-19 pandemic.

Item 2. The number of analyses and projects supporting clean energy was much greater than planned due to additional demands related to the COVID-19 pandemic.

Item 3. Staff hours supporting the Emergency Operation Center for State Emergency Support Function 12 - Energy were higher because of COVID-19 response.

Item 4. HSEO tracked and addressed more legislative measures than expected because the volume of legislation referred to the office was greater.

PROGRAM TITLE:

HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

12/5/20

PROGRAM-ID:

BED-143

PROGRAM STRUCTURE NO:

010502

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	4.00	1.00	-	3.00	75	3.00	1.00	-	2.00	67	3.00	1.00	-	2.00	67
EXPENDITURES (\$1000's)	8,477	18,121	+	9,644	114	1,116	160	-	956	86	4,592	1,000	-	3,592	78
TOTAL COSTS															
POSITIONS	4.00	1.00	-	3.00	75	3.00	1.00	-	2.00	67	3.00	1.00	-	2.00	67
EXPENDITURES (\$1000's)	8,477	18,121	+	9,644	114	1,116	160	-	956	86	4,592	1,000	-	3,592	78
						FISCAL YEAR 2019-20				FISCAL YEAR 2020-21					
						PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS															
1. # OF COMPANIES ASSTD AT HTDC INCUBATION CENTERS						300	24	-	276	92	300	25	-	275	92
2. MKTG: # OF INDIVIDUALS OR COMPANIES ASSISTED						36300	36002	-	298	1	36300	36000	-	300	1
PART III: PROGRAM TARGET GROUP															
1. # OF POTENTIAL TECH-BASED COMPANIES						1400	NO DATA	-	1400	100	1400	NO DATA	-	1400	100
2. # OF COMPANIES APPLYING FOR INCUBATION SERVICES						25	3	-	22	88	25	3	-	22	88
PART IV: PROGRAM ACTIVITY															
1. # OF CONTACTS AND RESPONSES						58000	65116	+	7116	12	58000	58000	+	0	0

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 05 02
BED 143

PROGRAM TITLE: HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

PART I - EXPENDITURES AND POSITIONS

FY 21, Quarter 1 positions variance is due to the vacancies of a permanent Director and Secretary position, respectively.

FY 20 actual expenditures are greater than the budgeted amount because it includes expenditures/encumbrances from non-FY 20 accounts such as prior-year accounts and non-appropriated federal fund accounts that occurred in FY 20.

FY 20 expenditures from FY 20 budgeted operating accounts were lower than budgeted primarily due to: 1) the budgeted appropriation for Hawaii Technology Development Corporation's (HTDC) special funds, including excess capacity for flexibility should an opportunity arise, actual operating income and expenses are much lower; 2) the budgeted appropriation in the current year for federal-funded grants being placeholders for payroll expenses, actual payroll expenses are charged to the initial year of the grant; 3) not expending funds for the Hawaii technology loan program; and 4) no activity for newly assigned Hawaii Strategic Development Corporation powers, as we will implement as we learn more about current investments.

FY 21 expenditures are also expected to be lower than budgeted for the same reasons stated above.

PART II - MEASURES OF EFFECTIVENESS

Item 1. HTDC lost control of the Manoa Innovation Center (MIC) in July 2018. Our facilities in Maui continue to be under-utilized, and vacancy remains high throughout the Kihei area.

Item 2. Our marketing efforts are also robust, and we are reaching more individuals. However, Maui remains slower in activity than on Oahu.

PART III - PROGRAM TARGET GROUPS

Item 1. The target group of companies that potentially would utilize the Manufacturing Extension Partnership Program and its Hawaii Small Business Innovation Research (HSBIR) Grant Program was lowered after a decrease in the appropriation funding of the HSBIR grant.

Item 2. The number of companies applying for tenancy or to become a virtual tenant at tech centers was lower than anticipated in FY 20. With the loss of MIC, we expect a further drop off of activity.

PART IV - PROGRAM ACTIVITIES

Item 1. While hits to various HTDC websites have shown that activity is higher than planned, HTDC's revamped techjobs.org has been partially operational and was used during some of HTDC's events. This has resulted in higher interactions and contacts with the public.

VARIANCE REPORT

	FISCAL YEAR 2019-20					THREE MONTHS ENDED 09-30-20					NINE MONTHS ENDING 06-30-21				
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	2	211	+	209	10,450	0	0	+	0	0	2	0	-	2	100
TOTAL COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	2	211	+	209	10,450	0	0	+	0	0	2	0	-	2	100
						FISCAL YEAR 2019-20					FISCAL YEAR 2020-21				
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. INCR IN LEVERAGING PUBLIC INV W/PRIVATE CAPITAL						5000000	NO DATA	-	5000000	100	0	NO DATA	+	0	0
2. INCR IN NUMBER OF VENTURE CAP PARTNERSHIPS ESTAB						1	NO DATA	-	1	100	1	NO DATA	-	1	100
3. INCREASE IN NUMBER OF COMPANIES FUNDED						10	NO DATA	-	10	100	10	NO DATA	-	10	100
PART III: PROGRAM TARGET GROUP															
1. ENTREPRENEURIAL START-UP COMPANIES						40	NO DATA	-	40	100	30	NO DATA	-	30	100
2. POTENTIAL INVEST ORG,INCL HIGH NET WORTH INDIVIDS						20	NO DATA	-	20	100	20	NO DATA	-	20	100
3. SUPPORT ORGS INCLUDING LEGAL & ACCT FIRMS						5	NO DATA	-	5	100	5	NO DATA	-	5	100
PART IV: PROGRAM ACTIVITY															
1. REINVEST INVEST DISTRIB IN NEW VENTURE PARTNERSHIP						0	NO DATA	+	0	0	0	NO DATA	+	0	0
2. ORGANIZE AND SPONSOR VENTURE CAPITAL CONF						2	NO DATA	-	2	100	3	NO DATA	-	3	100
3. ENTREPRENEURIAL TRAINING PROGRAMS						0	NO DATA	+	0	0	0	NO DATA	+	0	0

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 05 03
BED 145

PROGRAM TITLE: HAWAII STRATEGIC DEVELOPMENT CORPORATION

PART I - EXPENDITURES AND POSITIONS

BED 145, Hawaii Strategic Development Corporation (HSDC), was absorbed by BED 143, Hawaii Technology Development Corporation (HTDC), pursuant to Act 5, SLH 2019.

FY 20 actual expenditures was greater than budgeted due to the actual amount, including expenditures/encumbrances incurred in FY 20 from non-FY 20 appropriation accounts.

PART II - MEASURES OF EFFECTIVENESS

BED 145, HSDC, was absorbed by BED 143, HTDC, pursuant to Act 5, SLH 2019.

PART III - PROGRAM TARGET GROUPS

BED 145, HSDC, was absorbed by BED 143, HTDC, pursuant to Act 5, SLH 2019.

PART IV - PROGRAM ACTIVITIES

BED 145, HSDC, was absorbed by BED 143, HTDC, pursuant to Act 5, SLH 2019.

VARIANCE REPORT

	FISCAL YEAR 2019-20					THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21					
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	7,901	7,205	-	696	9	1,780	1,465	-	315	18	6,129	5,044	-	1,085	18
TOTAL COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	7,901	7,205	-	696	9	1,780	1,465	-	315	18	6,129	5,044	-	1,085	18
						FISCAL YEAR 2019-20				FISCAL YEAR 2020-21					
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. NELHA REVENUES (INCL REIMBURSABLES) (\$M)						6.8	5.6	-	1.2	18	7	5.8	-	1.2	17
2. ENERGY PRODUCED FROM RENEWABLE RESOURCES (MWH/YR)						4500	4500	+	0	0	4500	4500	+	0	0
3. TOTAL TENANT REVENUE (\$M)						71	55	-	16	23	71	60	-	11	15
4. ANNUAL TENANT CAPITAL IMPROVEMENT (\$M)						10	2	-	8	80	10	10	+	0	0
5. SEAWATER SYSTEM DELIVERY RELIABILITY (%)						99.999	99.999	+	0	0	99.999	99.999	+	0	0
PART III: PROGRAM TARGET GROUP															
1. COMMERCIAL TENANTS						30	30	+	0	0	30	31	+	1	3
2. PRE-COMMERCIAL TENANTS						13	11	-	2	15	13	12	-	1	8
3. RESEARCH/EDUCATION/OTHER TENANTS						15	12	-	3	20	15	13	-	2	13
4. PUBLIC OUTREACH PARTICIPANTS						6000	6000	+	0	0	6000	6000	+	0	0
PART IV: PROGRAM ACTIVITY															
1. TOTAL EMPLOYMENT AT NELHA (PUBLIC & PRIVATE)						480	485	+	5	1	480	485	+	5	1
2. TOTAL VOLUME OF SEAWATER PUMPED (MGALS)						150	8933	+	8783	5855	150	8500	+	8350	5567
3. TOTAL NUMBER OF NELHA TENANTS						56	53	-	3	5	56	56	+	0	0
4. PERCENTAGE OF NELHA LAND IN USE						47	45	-	2	4	47	47	+	0	0
5. TOTAL CUMULATIVE CIP; TENANT, STATE, FEDERAL (\$M)						150	160	+	10	7	150	160	+	10	7
6. BEACH PARK USE (# OF ATTENDEES)						139000	139000	+	0	0	139000	139000	+	0	0
7. CEMP (# OF REGULATORY AGENCIES)						7	7	+	0	0	7	7	+	0	0

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 05 04
BED 146

PROGRAM TITLE: NATURAL ENERGY LAB OF HAWAII AUTHORITY

PART I - EXPENDITURES AND POSITIONS

Lower planned revenues due to a delay in the sale of a building. In addition, positions and expenditures are lower than planned to maintain special fund balance.

PART II - MEASURES OF EFFECTIVENESS

Item 1. The variance in FY 20 expenditures is due to actual revenue collected being lower than anticipated due to a delay in the sale of a building.

Item 3. The Natural Energy Laboratory of Hawaii Authority (NELHA) no longer collects total tenant revenue. A better indication of economic impact is total tenant expenditures, which are being reported. The title of this measure of effectiveness needs to be changed.

Item 4. Tenants in HOST Park are not expanding as quickly as anticipated and some projects have been delayed by the slower than anticipated permitting process.

PART III - PROGRAM TARGET GROUPS

Item 2. Lower pre-commercial tenant count is due to lower duration of stays and the failure of some start-up companies to also lower these numbers.

Item 3. Downturn in visitors in association with the Great Pandemic of 2020.

PART IV - PROGRAM ACTIVITIES

Item 2. The total volume of seawater pumped has been updated to reflect correct amounts. FY 20 actual was 8,933 mgals; therefore, budgeted amount of 150 mgals for FY 20 and FY 21 was incorrectly entered, causing large variances. Decrease of FY 20 8,933 mgals to 8,500 mgals for FY 21 is due to lower tenant demand in conjunction with their efforts to increase efficiency and conservation.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
EXPENDITURES (\$1000's)	85,937	45,776	- 40,161	47	19,856	19,856	+ 0	0	66,081	59,567	- 6,514	10
TOTAL COSTS												
POSITIONS	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
EXPENDITURES (\$1000's)	85,937	45,776	- 40,161	47	19,856	19,856	+ 0	0	66,081	59,567	- 6,514	10
					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. % FINANCING FOR UNDERSERVED TARGET					NO DATA	73	+ 73	0	NO DATA	85	+ 85	0
2. ESTIMATED KWH PRODUCTION OVER LIFETIME (000)					NO DATA	48416	+ 48416	0	NO DATA	40000	+ 40000	0
3. EST KWH REDUCTION OVER LIFETIME (000)					NO DATA	4845	+ 4845	0	NO DATA	100	+ 100	0
4. EST BARRELS OF PETROLUEM DISPLACED (000)					129	33	- 96	74	129	25	- 104	81
5. EST METRIC TONS OF GREENHOUSE GAS AVOIDED (000)					63	16	- 47	75	63	11	- 52	83
6. TOTAL GEMS LOANS DEPLOYED (000)					NO DATA	24468	+ 24468	0	NO DATA	20000	+ 20000	0
7. ESTIMATED NET COST SAVINGS					NO DATA	1448649	+ 1448649	0	NO DATA	10000	+ 10000	0
PART III: PROGRAM TARGET GROUP												
1. RESIDENTIAL RATE PAYERS (HOMEOWNERS/RENTERS)					NO DATA	96	+ 96	0	NO DATA	75	+ 75	0
2. COMMERCIAL RATEPAYERS					NO DATA	9	+ 9	0	NO DATA	5	+ 5	0
PART IV: PROGRAM ACTIVITY												
1. ORIGINATE AND SERVICE CLEAR ENERGY LOANS					NO DATA	404	+ 404	0	NO DATA	300	+ 300	0

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 05 05
BED 138

PROGRAM TITLE: HAWAII GREEN INFRASTRUCTURE AUTHORITY

PART I - EXPENDITURES AND POSITIONS

The Hawaii Green Infrastructure Authority's (HGIA) FY 2020 budget includes appropriations for operating overhead, program expenses, a loan ceiling for loans funded, a bond ceiling for Green Energy Market Securitization (GEMS) bond payments and expenses, and a bond ceiling "cushion" required by the bond indenture documents for 1.5 times the bond payments of \$6.5 million. This \$6.5 million is not intended or expected to be spent and, as such, is not included in the estimated amounts. Total loans funded during the year aggregated \$26.5 million. Overhead and program expenses of \$970,000 were offset by approximately \$3.7 million in revenue earned during the fiscal year.

The actual timing of a loan being funded is dependent on the various contractors achieving specified milestones in the project contracts for loans approved. Projects typically take between 6 to 18 months to complete, making it hard to predict the timing of loan funding. As of June 30, 2020, HGIA had \$16.4 million in committed loans.

PART II - MEASURES OF EFFECTIVENESS

With only a limited amount in GEMS loan capital left to lend, HGIA established a permitted interaction group ("PIG") to investigate, discuss and make a recommendation for future loans. The recommendation of the PIG was to utilize the remaining funds to assist the under-served and hard to reach with clean energy financing, consisting of the following segments: (1) low- and moderate-income single family residential homeowners and renters; (2) small businesses (as defined by the U.S. Small Business Administration); (3) multi-family rental projects; and (4) nonprofits. Although limiting financing to these targeted, historically hard to reach segments will slow the deployment of loan funds, HGIA's board adopted these recommendations, effective September 1, 2019, in order to democratize clean energy, making financing available to those with limited options, to help lower their energy costs while helping our State achieve its aggressive clean energy goals. As such, the percentage financing for under-served target is expected to increase to 85% for FY 21. The remaining metrics are expected to remain the same as HGIA

maintains its operations. Note that the measures of effectiveness were set in 2018, prior to the establishment of many of the program metrics stated in the Measures of Effectiveness for the current program. HGIA intends to update its metrics targets at the next round of metrics updates in December 2020.

PART III - PROGRAM TARGET GROUPS

As indicated in Part II, HGIA expects its loan volume to decrease as it is typically harder to reach these under-served segments and the pace of adoption is slower. As a result, the number of homeowners, renters, nonprofits, small businesses and multi-family projects are expected to decrease. Additionally, the COVID-19 pandemic has resulted in a significant decrease in consumer confidence due to uncertainties regarding the State's economy and business viability, which has resulted in a decrease of commercial interest that likely will decrease the total amount of loans funded in FY 21.

PART IV - PROGRAM ACTIVITIES

Similarly, as mentioned above, although HGIA will double its efforts on grass-roots community outreach, we expect the program activity measured by the number of loans originated and serviced to decrease. Although the gross volume will decrease, the lower energy costs for these under-served families and organizations will be meaningful and impactful.

VARIANCE REPORT

	FISCAL YEAR 2019-20					THREE MONTHS ENDED 09-30-20					NINE MONTHS ENDING 06-30-21				
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	28.00	24.00	-	4.00	14	28.00	24.00	-	4.00	14	28.00	24.00	-	4.00	14
EXPENDITURES (\$1000's)	3,776	3,271	-	505	13	1,384	586	-	798	58	2,177	2,975	+	798	37
TOTAL COSTS															
POSITIONS	28.00	24.00	-	4.00	14	28.00	24.00	-	4.00	14	28.00	24.00	-	4.00	14
EXPENDITURES (\$1000's)	3,776	3,271	-	505	13	1,384	586	-	798	58	2,177	2,975	+	798	37
						FISCAL YEAR 2019-20					FISCAL YEAR 2020-21				
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. SURFACE WATER SUPPLY DEVELOPED (MGD)						0	0	+	0	0	0	0	+	0	0
2. GROUNDWATER SUPPLY DEVELOPED (MGD)						1	0	-	1	100	1	1	+	0	0
3. WATER CREDITS PROVID TO STATE AGENCIES (1000 GALS)						250	0	-	250	100	250	250	+	0	0
4. STATE LANDS DEVELOPED (ACRES)						10	10	+	0	0	10	10	+	0	0
5. GEOTHERMAL ROYALTIES COLLECTED (DOLLARS)						1200	0	-	1200	100	1200	20	-	1180	98
6. ROCKFALL PROJECTS IMPLEMENTED (# OF PROJECTS)						4	4	+	0	0	4	4	+	0	0
PART III: PROGRAM TARGET GROUP															
1. DEFACTO POPULTN BENEFITNG FR IMPRVMNTS (NO. IN MIL)						1.4	1.4	+	0	0	1.4	1.4	+	0	0
PART IV: PROGRAM ACTIVITY															
1. PLANNING AND PROGRAMMING (NUMBER OF PROJECTS)						25	26	+	1	4	25	24	-	1	4
2. PROJECTS DESIGNED (NUMBER OF PROJECTS)						30	32	+	2	7	30	30	+	0	0
3. ENGINEERING CONSULTANT CONTRACTS ADMINISTERED						30	34	+	4	13	30	30	+	0	0
4. ENGIN SVCS PROVIDD TO OTHER DLNR OFFICES (MAN HRS)						20000	18000	-	2000	10	20000	18000	-	2000	10
5. CIP EXPENDITURES (\$1,000)						40000	36860	-	3140	8	40000	40000	+	0	0
6. ALTERNATE WATER DEVLPM PROJECTS INVESTIGATED (NO.)						0	0	+	0	0	0	0	+	0	0
7. GEOTHERMAL RESOURCE PERMITS ISSUED (# OF PERMITS)						1	0	-	1	100	1	1	+	0	0
8. ROCKFALL/SLOPE MOVEMNT AREAS INVSTGTD &OR ADDRSSD						5	5	+	0	0	5	5	+	0	0

VARIANCE REPORT NARRATIVE

FY 2020 AND FY 2021

01 06
LNR 141

PROGRAM TITLE: WATER AND LAND DEVELOPMENT

PART I - EXPENDITURES AND POSITIONS

FY 20 position variance due to budgeted unfilled positions under various stages of recruitment. The program has experienced difficulties in recruitment due to the prolonged historically low unemployment rate and lack of interested and qualified applicants. In order to fill its vacancies, the program is attempting to recruit positions at all levels.

FY 20 and FY 21 differences in budgeted amount and actual expenditures are primarily payroll savings due to staff vacancy and corresponding funds for activities to be performed, and unused accrued vacation/sick leave fund for the Capital Improvement Program (CIP) project staff.

FY 21 position variance due to authorized but unfunded positions (budget adjustments made by Act 9, SLH 2020) and proposed Program Review adjustments.

PART II - MEASURES OF EFFECTIVENESS

Items 1 and 2: Reflects authorized water projects and their completion; program has sought but not been authorized funding for such projects. One groundwater project has been authorized in FY 21.

Item 3: The variance reflects a downturn in requests for water credits by State agencies.

Item 5: The variance reflects the shutdown in May 2018 of the only geothermal producer due to eruption of the Kilauea East Rift Zone. The geothermal plant was originally anticipated to come back online in FY 20; however, it is now expected to come back online at partial capacity in FY 21. Note that adjustments to prior royalty estimates were inadvertently not reflected.

PART III - PROGRAM TARGET GROUPS

No significance variance.

PART IV - PROGRAM ACTIVITIES

Item 3: FY 20 actuals reflect greater number of projects authorized than initially projected due to increased CIP funding levels and the breakdown of Lump Sum appropriations into multiple projects/contracts.

Item 4: The variance is due to temporary staff vacancies which were under recruitment in FY 20, which will continue to be held vacant due to Act 9, SLH 2020, funding reductions and proposed Program Review adjustments.

Item 5: FY 20 reflects actual expenditures based on contractor invoicing and payment processing; an additional \$60 million is encumbered in consultant and/or construction contracts for expenditure in FY 21 and beyond.

Item 7: No geothermal resource permit applications were received in FY 20.

VARIANCE REPORT

	FISCAL YEAR 2019-20					THREE MONTHS ENDED 09-30-20					NINE MONTHS ENDING 06-30-21				
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	21.00	16.00	-	5.00	24	21.00	16.00	-	5.00	24	21.00	19.00	-	2.00	10
EXPENDITURES (\$1000's)	3,541	9,475	+	5,934	168	632	487	-	145	23	2,541	2,686	+	145	6
TOTAL COSTS															
POSITIONS	21.00	16.00	-	5.00	24	21.00	16.00	-	5.00	24	21.00	19.00	-	2.00	10
EXPENDITURES (\$1000's)	3,541	9,475	+	5,934	168	632	487	-	145	23	2,541	2,686	+	145	6
						FISCAL YEAR 2019-20					FISCAL YEAR 2020-21				
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. NEW PRIV DEV IN KAKAAKO COM DEV DIST (\$M)						55.9	163	+	107.1	192	-163	0	+	163	-100
2. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA (\$M)						20	10	-	10	50	20	20	+	0	0

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

PROGRAM TITLE: SPECIAL COMMUNITY DEVELOPMENT

01 07

PART I - EXPENDITURES AND POSITIONS

Details of the position and expenditure variances are best examined at the lowest program level.

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	21.00	16.00	-	5.00	24	21.00	16.00	-	5.00	24	21.00	19.00	-	2.00	10
EXPENDITURES (\$1000's)	3,541	9,475	+	5,934	168	632	487	-	145	23	2,541	2,686	+	145	6
TOTAL COSTS															
POSITIONS	21.00	16.00	-	5.00	24	21.00	16.00	-	5.00	24	21.00	19.00	-	2.00	10
EXPENDITURES (\$1000's)	3,541	9,475	+	5,934	168	632	487	-	145	23	2,541	2,686	+	145	6

	FISCAL YEAR 2019-20					FISCAL YEAR 2020-21				
	PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS										
1. NEW PRIV DEV IN KAKAAKO COM DEV DIST (\$M)	55.9	163	+	107.1	192	-163	0	+	163	-100
2. NEW BLDG FLOOR SPACE IN KAKAAKO (1000 SF)	0	224	+	224	0	0	0	+	0	0
3. # OF NEW HOUSING UNITS IN KAKAAKO	267	267	+	0	0	0	0	+	0	0
4. # OF NEW PUBLIC FACILITIES IN KAKAAKO	0	0	+	0	0	0	0	+	0	0
5. # ACTIVELY-USED PARCELS IN KALAELOA CDD	100	105	+	5	5	105	115	+	10	10
6. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA (\$M)	20	10	-	10	50	20	20	+	0	0
7. # ACRES RESTORATION OF WETLANDS USES IN HEEIA	0	0	+	0	0	0	0	+	0	0
PART III: PROGRAM TARGET GROUP										
1. # OF RESIDENTS IN KAKAAKO	30280	30280	+	0	0	0	30280	+	30280	0
2. # OF EMPLOYEES IN KAKAAKO	25330	25330	+	0	0	0	25330	+	25330	0
3. # OF BUSINESSES IN KAKAAKO	1266	1266	+	0	0	0	1266	+	1266	0
4. # OF LANDUSERS WITHIN KALAELOA	17	25	+	8	47	20	35	+	15	75
5. # RESIDENTS WITHIN KALAELOA & SURROUNDING AREAS	6000	6025	+	25	0	6000	6050	+	50	1
PART IV: PROGRAM ACTIVITY										
1. DEVELOPMENT PERMITS ISSUED IN KAKAAKO	125	94	-	31	25	125	125	+	0	0
2. # INFRASTRUCTURE IMPROV PROJS BEGUN IN KAKAAKO	0	0	+	0	0	0	0	+	0	0
3. NEW PUBLIC IMPROVEMENTS IN KAKAAKO (\$M)	0	0	+	0	0	0	0	+	0	0
4. # PARCELS IN KALAELOA COVERED BY ECON DEV PLAN	60	65	+	5	8	60	65	+	5	8
5. NEW PLANNING IN KALAELOA (\$M)	25	25	+	0	0	25	25	+	0	0
6. # PARCELS, INFRASTRUCTURE SYS CONVEYED IN KALAELOA	0	2	+	2	0	0	5	+	5	0
7. # PROJS FACILITATED & COMPLETED IN KALAELOA	2	2	+	0	0	2	2	+	0	0

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 07 01
BED 150

PROGRAM TITLE: HAWAII COMMUNITY DEVELOPMENT AUTHORITY

PART I - EXPENDITURES AND POSITIONS

FY 20 actual expenditures are greater than the budgeted amount because the actuals include expenditures/encumbrance from prior-year accounts. The amount of actual expenditures/encumbrance from FY 20 budgeted, operating accounts was around \$2,463 (thousand).

The variance in FY 21 1st Quarter is due to six (6) vacant positions and the timing of administrative expenses (the budgeted amount is the annualized portion of the full year - large expenditures will be incurred in Quarters 2 to 4). The Executive Director position has been filled as of October 16, 2020, and there are three (3) Governor approvals submitted to the fill positions in the planning department.

PART II - MEASURES OF EFFECTIVENESS

Items 1 and 2: Consistent with the trend throughout the State, particularly in the urban core, development in Kakaako has slowed down. Development is still ongoing, however the pace will be slower than what we have experienced in recent years.

Item 6: The lack of suitable and reliable infrastructure has delayed development in Kalaeloa. The Hawaii Community Development Authority (HCDA) has submitted biennium requests to implement further infrastructure projects in Kalaeloa to seed future development.

PART III - PROGRAM TARGET GROUPS

Item 4: The lack of suitable and reliable infrastructure has delayed development in Kalaeloa. The HCDA has submitted biennium requests to implement further infrastructure projects in Kalaeloa to seed future development.

PART IV - PROGRAM ACTIVITIES

Item 1: We will see the number of permits begin to normalize with the slow down in development in Kakaako, consistent with the development cycle.

VARIANCE REPORT

	FISCAL YEAR 2019-20				THREE MONTHS ENDED 09-30-20				NINE MONTHS ENDING 06-30-21			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	29.00	23.00	- 6.00	21	29.00	20.00	- 9.00	31	29.00	20.00	- 9.00	31
EXPENDITURES (\$1000's)	17,854	10,025	- 7,829	44	8,868	1,914	- 6,954	78	9,051	16,005	+ 6,954	77
TOTAL COSTS												
POSITIONS	29.00	23.00	- 6.00	21	29.00	20.00	- 9.00	31	29.00	20.00	- 9.00	31
EXPENDITURES (\$1000's)	17,854	10,025	- 7,829	44	8,868	1,914	- 6,954	78	9,051	16,005	+ 6,954	77
					FISCAL YEAR 2019-20				FISCAL YEAR 2020-21			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. # OF HOMEBUYERS ASSISTED					603	328	- 275	46	1143	200	- 943	83
2. # OF NEW RENTAL UNITS					464	810	+ 346	75	231	1099	+ 868	376
3. # OF EXISTING AFFORD RENTAL HOUSING UNITS PRESERV					150	0	- 150	100	150	70	- 80	53
4. # OF LEASE RENTS RENEGOTIATED					3	3	+ 0	0	3	3	+ 0	0
5. # OF SINGLE FAM LEASHLD LOTS CONVERT TO FEE SIMPLE					2	0	- 2	100	2	0	- 2	100
PART III: PROGRAM TARGET GROUP												
1. HSEHLDS EARN UP 140% OF MED INC EST BY USDHUD					2900	4000	+ 1100	38	2900	4000	+ 1100	38
PART IV: PROGRAM ACTIVITY												
1. ORIGINATE LOANS/GRANTS FOR ACQ/REHAB OR DEV OF HSE					250	797	+ 547	219	250	250	+ 0	0
2. ALLOCATE TAX CRDT FOR ACQ/REHAB OR DEV OF HOUSING					150	1007	+ 857	571	150	150	+ 0	0
3. ISSUE TAX-EXEMPT REVENUE BONDS (\$M)					20	84	+ 64	320	20	128.9	+ 108.9	545
4. FACILITATE DEVELOPMENT OF REAL PROPERTY					0	0	+ 0	0	0	0	+ 0	0
5. ASSIST FIRST-TIME HOMEBUYERS					603	328	- 275	46	1143	200	- 943	83
6. PROCESS APP FOR ARBITRATION OF LEASE RENT RENEGO					2	5	+ 3	150	2	6	+ 4	200
7. PROCESS APPLICATIONS FOR LEASEHOLD CONVERSION					2	1	- 1	50	2	5	+ 3	150

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 08
BED 160

PROGRAM TITLE: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

PART I - EXPENDITURES AND POSITIONS

The position variances are primarily due to attrition, coupled with the inability to fill the vacancies as a hiring freeze was instituted during FY 20. Until the hiring freeze is removed, vacant positions will remain unfilled.

The expenditure variance for FY 20 is primarily the result of the timing of federal grant award expenditures.

The first quarter budget of FY 21 includes budgeted appropriation for federal funds from Act 9, SLH 2020, of \$6,100,000 to correspond with Form A-19 formatting of non-reverting funds.

In the first quarter of FY 21, actual expenditures of the non-federally funded appropriations were slightly delayed with the expectation that the expenditures will be caught up during the remainder of the fiscal year. Federally-funded expenditures fluctuate depending on the progression of funded projects that may be expended over multiple years.

PART II - MEASURES OF EFFECTIVENESS

Item 1. The negative variances in the number of homebuyers assisted for FYs 20 and 21 are a result of delayed start of projects due to the COVID-19 pandemic and the limited available capacity of the mortgage credit certificate program.

Item 2. The positive variances in the number of new rental units for FYs 20 and 21 are a result of acceleration of completed projects and an underestimation of planned projects to be completed.

Item 3. The negative variances in the number of existing affordable rental housing preserved for FYs 20 and 21 are a result of timing delays and an overestimation of planned projects.

Item 4. No variances in renegotiated lease rents for FYs 20 and 21.

Item 5. The negative variance in leasehold to fee conversions for FY 20 is

a result of not obtaining resolution approval from the Legislature due to the limited FY 21 legislative session caused by health concerns relating to the COVID-19 pandemic. The negative variance expected for FY 21 is a result of not holding public, in-person community meetings due to health concerns relating to the COVID-19 pandemic.

PART III - PROGRAM TARGET GROUPS

Item 1. Households earning 50%-140% of the U.S. Department of Housing and Urban Development average median income in accordance with a Hawaii Housing Planning Study conducted in 2019 increased to 4,000 units.

PART IV - PROGRAM ACTIVITIES

Item 1. The positive variance in the number of loan originations for FY 20 is primarily a result of the \$200 million appropriation to the Rental Housing Revolving Fund; no variance estimated in FY 21.

Item 2. The positive variance in tax credits allocated for FY 20 is primarily a result of the \$200 million appropriation to the Rental Housing Revolving Fund; no variance estimated in FY 21.

Item 3. The positive variances in the amount of tax-exempt revenue bonds issued for FYs 20 and 21 are a result of acceleration of projects due to various reasons, such as interest rates and construction costs.

Item 4. No variances in the facilitation of real property development for FYs 20 and 21.

Item 5. The negative variances in the number of first-time homebuyers assisted for FYs 20 and 21 are a result of delayed start of projects due to the COVID-19 pandemic and the limited available capacity of the mortgage credit certificate program.

Item 6. The positive variances in the number of applications processed for arbitration of lease rent renegotiation for FYs 20 and 21 are a result of

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

01 08
BED 160

PROGRAM TITLE: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

an increase in the number of applications received.

Item 7. No significant variance in the number of applications processed for leasehold conversions for FY 20. The positive variance for FY 21 is a result of an increase in the number of applications received.

VARIANCE REPORT

	FISCAL YEAR 2019-20					THREE MONTHS ENDED 09-30-20					NINE MONTHS ENDING 06-30-21				
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	1,714	1,195	-	519	30	273	24	-	249	91	1,441	1,569	+	128	9
TOTAL COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	1,714	1,195	-	519	30	273	24	-	249	91	1,441	1,569	+	128	9
						FISCAL YEAR 2019-20					FISCAL YEAR 2020-21				
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. SUPPORT THE DOE CHALLENGER PROGRAM						1	1	+	0	0	1	1	+	0	0
2. INTERNATIONAL AEROSPACE ENTITIES						1	1	+	0	0	1	1	+	0	0
3. PUBLIC-PRIVATE PARTNERSHIPS INITIATED/MAINTAINED						5	5	+	0	0	5	5	+	0	0
4. OUTREACH EVENTS SPONSORED BY (PISCES)						10	10	+	0	0	10	10	+	0	0
5. NATIONAL AEROSPACE ENTITIES						1	1	+	0	0	1	1	+	0	0
PART III: PROGRAM TARGET GROUP															
1. HAWAII-BASED AEROSPACE ENTITIES						1	1	+	0	0	1	1	+	0	0
2. HAWAII-BASED EDUCATIONAL AND RESEARCH INSTITUTIONS						9	9	+	0	0	9	9	+	0	0
3. STUDENTS AND INTERNS PARTICIPATION (PISCES)						18	18	+	0	0	18	18	+	0	0
PART IV: PROGRAM ACTIVITY															
1. EXPLORE POSSIBLE NEW INDUSTRIES (PISCES)						1	1	+	0	0	1	1	+	0	0
2. AEROSPACE PROJECTS						4	4	+	0	0	4	4	+	0	0
3. HAWAII AEROSPACE ADVISORY COMMITTEE MEETINGS						4	0	-	4	100	4	0	-	4	100
4. COMMUNITY OUTREACH GOAL						24	24	+	0	0	24	24	+	0	0

VARIANCE REPORT NARRATIVE FY 2020 AND FY 2021

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PROGRAM TITLE: OFFICE OF AEROSPACE

PART I - EXPENDITURES AND POSITIONS

The variance in FY 20 expenditures is due to the Office of Aerospace having a \$500,000 special fund ceiling.

Estimated expenditures for the rest of FY 21 is the remaining appropriation less general fund restrictions.

PART II - MEASURES OF EFFECTIVENESS

No significant variances.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

Item 6. The Hawaii Aerospace Advisory Committee is being planned to be repealed.